No 62 1877

REPORT

OF THE

BOMBAY CHAMBER OF COMMERCE

FOR THE

YEAR 1877-78.

PRESENTED TO THE ANNUAL GENERAL MEETING
HELD ON THE 31ST OCTOBER 1878.

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PRINTED FOR THE CHAMBER AT THE
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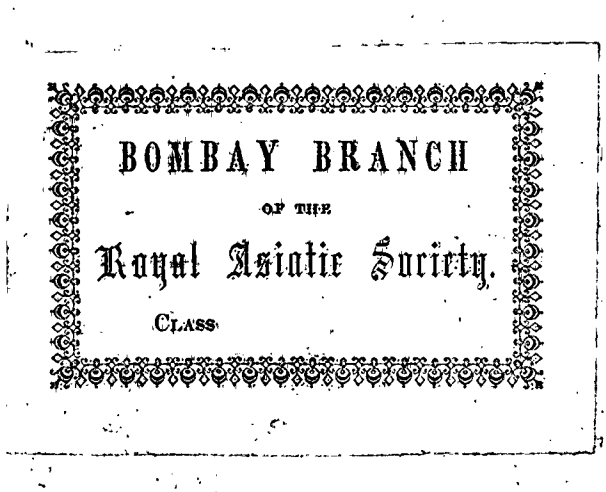
1879.



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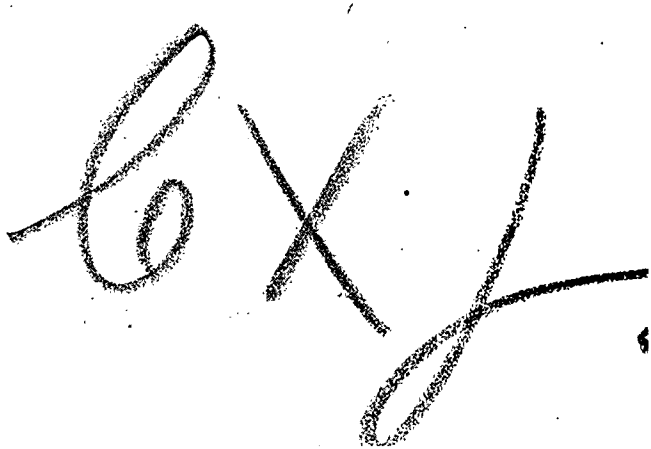

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Bombay Chamber of Commerce.

ESTABLISHED 22nd SEPTEMBER 1836.

List of Members.

Messrs. ALDRIDGE, SALMON & Co.
" BATES (EDWARD) & Co.
" BELL, BRANDENBURG & Co.
" BENN, ASHLEY & Co.
" BLASCHECK (A.) & Co.
" EWART, LATHAM & Co.
" FINLAY, MUIR & Co.
" FINLAY, SCOTT & Co.
" FORBES & Co.
" FORBES (SIR, CHARLES) & Co.
" FRAMJEE, SANDS & Co.
" GADDUM & Co.
" GLADSTONE, WYLLIE & Co.
" GRAHAM (W. & A.) & Co.
" GREAVES, COTTON & Co.
" KILLICK, NIXON & Co.
" KNOOP & Co.
" LANG, MOIR & Co.
" LOCKHART (GEORGE) & Co.
" LYON & Co.
" MACDONALD (C.) & Co
" MACKINNON MACKENZIE & Co.
" OWEN & OKELL.
" PEEL, CASSELS & Co.
Messrs. PUNNETT & Co.
" RALLI BROTHERS.
" RITCHIE, STEUART & Co.
" SASSOON (D.) & Co.
" SOUTHERN (R. L.) & Co.
" SPINNER (E.) & Co.
" VOLKART BROTHERS.
" WALLACE & Co.
THE AUSTRO-HUNGARIAN LLOYD'S S.N COMPANY.
THE AGRA BANK, LIMITED.
THE B. B. & C. I. RAILWAY COMPANY.
THE CHARTERED BANK OF INDIA, AUSTRALIA, AND CHINA.
THE CHARTERED MERCANTILE BANK OF INDIA, LONDON, AND CHINA.
THE COMPTOIR D'ESCOMPTE DE PARIS.
THE G. I. P. RAILWAY COMPANY.
THE HONGKONG AND SHANGHAI BANKING CORPORATION.
THE NATIONAL BANK OF INDIA.
THE NEW COLABA COMPANY, LIMITED.
THE ORIENTAL BANK CORPORATION.
THE P. & O. S. N. COMPANY.
THE RUBATTINO S. N. COMPANY.

RETIRING COMMITTEE.

Hon'ble WALTER LANG, *Chairman.*
Mr. M. MOWAT, *Deputy Chairman.*

Mr. W. A. BAKER
" S. D. SASSOON
" J. LITTLETON SYMONS
" T. W. WOOD
" C. KAPP
} *Members.*

COMMITTEE FOR 1878-79.

Mr. M. MOWAT, *Chairman.*
Mr. H. FORMAN, *Deputy Chairman.*

Mr. F. MATHEW
Captain J. R. KELLOCK
Mr. EDWARD COMBES
" F. VOUILLON
" L. R. W. FORREST
} *Members.*

MR. JOHN GORDON, *Secretary.*

RULES AND REGULATIONS

OF THE

Bombay Chamber of Commerce

Revised and adopted at a General Meeting held on 9th August, 1876.

I. THAT the object and duties of the Chamber shall be to encourage a friendly feeling and unanimity among commercial men on all subjects involving their common good; to promote and protect the general mercantile interests of this Presidency; to collect and classify information on all matters of general commercial interest; to obtain the removal, as far as such a Society can, of all acknowledged grievances affecting merchants as a body, or mercantile interests in general; to receive and decide references on matters of usage and custom in dispute, recording such decisions for future guidance, and by this and other means assisting to form a code of practice for simplifying and facilitating business; to communicate with the public authorities, with similar Associations in other places, and with individuals on all subjects of general mercantile interest; and to arbitrate between parties willing to refer to, and abide by, the judgment of the Chamber.

II. That all persons engaged or interested in mercantile pursuits desirous of joining the Chamber, and disposed to aid in carrying into effect the objects of the same, shall be admitted Members by the vote of a majority of not less than two-thirds of those voting at a General Meeting, as provided for in Rule III.

III. That one-fourth of the firms constituting the Chamber shall be held sufficient to form any General Meeting when the same has been regularly called together—one partner representing a firm; but two or more partners of one firm being present only to count as one Member of the Chamber. That seven clear days' notice shall be given before any resolution proposing changes in the Rules of the Chamber be brought forward, and that such notice be given in writing to the Secretary, who shall circulate it for the information of the Members of the Chamber.

IV. That the Chamber reserves to itself the right of expulsion in case of need, to be decided at a General Meeting by a majority of three-fourths of the Members present at such General Meeting duly convened.

V. The subscription of each firm or Member of the Chamber shall be Rs. 25 per month.*

VI. That the affairs and funds of the Association be managed by a Committee of seven Members, consisting of the Chairman and Deputy Chairman of the Chamber and five Members, who shall be elected annually at a General Meeting of the Chamber in the month of September, and shall remain in office for one year, but be re-eligible on expiration of office. The Chairman and Deputy Chairman, as the case may be, to be *ex-officio* Chairman of the Committee, and in their absence the Committee to elect their own Chairman. Three to be a quorum. In the event of any Member of the Committee resigning or declining to serve, the remaining Members of the Committee shall fill up the vacancy.

VII. The Chairman, Deputy Chairman, and Members of Committee for election, must be proposed at least seven days before the General Meeting to be convened for the purpose of elections, and their names be published in the rooms of the Chamber for that period, and by circular. No two Members of one firm shall be on the Committee at the same time.

VIII. That all questions before the Committee shall be decided by a majority, the Chairman having a second or casting vote in case of an equality of voters.

IX. That the Committee shall meet on Friday, or on such other day as may be found by them most convenient, of every week, to receive and dispose of all communications and references, and to take under their consideration generally all matters embraced in the objects of the Chamber; and that their proceedings be laid on the table for the inspection of all Members, subject to such regulations as they may make.

X. That General Meetings of the Chamber be held quarterly for the purpose of discussing any measures of public interest which may arise, and that in the interval between the Meetings the Committee of the Chamber be intrusted with the selection of subjects for discussion at those meetings, and give notice of the same to the Members beforehand. That a Special General Meeting shall be called by the Chairman, or by his order, seven days after the receipt of a requisition from any three firms, Members of the Chamber; but that a majority of firms, represented by one or more Members from each firm, being Members of the Chamber, be required to constitute such General Meeting, and that the Annual General Meeting shall be held in the month of September, on such day as the Committee for the time being shall direct, such meeting to be convened on a seven days' notice. That all General Meetings of the Chamber shall be advertised in the newspapers.

XI. That the Committee be authorised to provide suitable accommodation for the meeting of the Chamber, to pay all expenses of the

* *Subscription.*—The following resolution was adopted at a Meeting of the Chamber on April 11th, 1870:—"That the subscription to the Chamber be reduced from Rs. 25 to Rs. 20, and that the charge for a copy of each of the publications to Members be Rs. 15 per mensem."

establishment, and to control generally the management of the affairs of the Chamber.

XII. That all moneys or funds of the Chamber, as received, be paid into the hands of the Treasurer or Treasurers for the time being, and that the same be available by cheques signed by the Chairman, or in his absence by the Acting Chairman for the time being, and by one other Member of the Committee.

XIII. That a Secretary be appointed by a majority of Members in such way as the Committee for the time being may point out; that it shall be the duty of such Secretary to keep the records and accounts of the Chamber, to collect subscriptions, handing the same over to the Treasurer, to conduct correspondence, and to act generally under the directions of the Committee.

XIV. That all the proceedings of the Committee be subject to approval or otherwise of General Meetings duly convened.

XV. That any stranger engaged or interested in mercantile pursuits visiting the Presidency may be introduced as a visitor by any Member of the Chamber inserting his name in a book to be kept for the purpose, but that a residence of two months shall subject him to the rule for the admission of Members.

XVI. *Honorary Members.*—Gentlemen distinguished for public services, or eminent in commerce and manufactures, may be elected Honorary Members of the Chamber, and as such shall be exempted rom paying subscriptions.

XVII. That an annual report of the proceedings be made, and copies sent to the similar Associations in India, China, and elsewhere.

XVIII. That the foregoing Rules be added to, or altered, only by a majority of Members of the Chamber.

XIX. That the firms whose signatures are attached be considered as acknowledging the "Bombay Chamber of Commerce" as now constituted, to represent their public and united interests.

XX. That the foregoing Rules be copied into a book, to be kept with the records of the Chamber, and be signed by all the Members, and that copies be printed and delivered to each firm.

RULES AND REGULATIONS

For the Measurement by Callipers upon Exports from Bombay of Cotton, Wool, Hemp, and other Pressed Bales.

———:o:———

I. THAT Callipers shall from time to time be submitted to the Secretary of the Chamber of Commerce, and, if found correct, shall be branded with a stamp bearing the name of the Chamber, to indicate the same.

II. That if, from use or otherwise, any Calliper should get out of order and be objected to, the party objecting shall send the Callipers to the Chamber for examination, and should the objection be valid, the Chamber stamp shall be defaced by the Secretary. If, however, the objection is found to be groundless, the Secretary shall give a note to that effect, and the party objecting shall be bound by his decision.

III. That any Callipers found incorrect, and on which the stamp has been defaced, may be re-stamped after adjustment.

IV. That no measurements shall be held good except such as are taken by Callipers bearing the Chamber's stamp.

V. That public Measurers shall be appointed under the authority of the Chamber of Commerce, and stationed at the different Bunders, to measure pressed bales of Cotton, Wool, Hemp, and other merchandise.

VI. That a Fee, the amount of which shall in no case exceed half an anna per bale, but which may be regulated by the Chamber from time to time in order to meet the expenses of the necessary establishment, shall be levied on all bales measured by the duly appointed Measurers.

VII. That no bales be measured without the production of the Custom House Pass bearing the endorsement of the Measurement Fee Clerk, to the effect that the Fee has been paid.

VIII. That the Measurers shall measure not less than five bales in every hundred, ascertaining the length of the bale and the greatest width and depth over the lashings, and as near the centre of the bale as possible, but not over the knots.

IX. That the Measurer shall give a Certificate of Measurement, which must accompany the bales to the ship or steamer, and shall

furnish the Shipper with a copy thereof. This Certificate, which shall be retained by the ship, shall state—

The date and hour of measurement,	The name of the ship or steamer.
The number of the boat,	The number of bales,
The name of the tindal,	The marks of the bales,
The name of the shipper,	The measurement.

X. That the Shipper shall, if required, in writing, give the Agent of the ship or steamer notice in writing, of the time when, and the name of the Bunder on which his bales will be measured, in order that the ship or steamer may be represented.

XI. That the bales shall be alongside the ship or steamer within 36 hours after measurement, weather permitting, or the Certificate shall be void, and the bales shall be re-measured on board, written notice, however, in such case being given to the shipper, so that he may have the option of attending.

XII. That the salaries of the Measurers, and all other expenses connected with this scheme of measurement, be paid by the Chamber from the Fee Fund raised under these Rules.

XIII. That all matters pertaining to the measurement of Cotton, as defined above, including the appointment of the Measurers, the fixing of their salaries, the payment of the same, and the doing of all things necessary for a proper and economical working of the scheme, be placed in charge of the General Committee of the Chamber.

XIV. No refund of Measurement Fees will be allowed for sums under one Rupee.

XV. No claim for refund will be allowed, unless presented within one month from the date of vessel's departure.

GENERAL RATES OF COMMISSION.

—:o:—

Table of General Rates of Commission chargeable in Bombay, as revised by the Chamber of Commerce, and confirmed at the General Meetings held on the 9th August, and the 31st of October, 1876.

IMPORT, EXPORT, AND GENERAL BUSINESS.

		Per Cent.
1	On effecting insurance	½
2.	On settling insurance losses, whether partial or total, also on procuring return of premium, exclusive of commission on receipt of cash...	2½
3.	On the sale or purchase of goods of all denominations (except as under)	5
4.	On purchases of all kinds with the proceeds of goods sold, and on which a commission of 5 per cent. has been previously charged	2½
5.	On the sale or purchase of ships, houses, and lands, of opium, and of diamonds, pearls, and jewellery of all descriptions	2½
6.	On the sale or purchase of treasure or bullion ...	1
7.	On the sale or purchase of cattle	5½
8.	On goods consigned which are disposed of by outcry or sent to a shop, on net proceeds	5
9.	On goods consigned and afterwards withdrawn, invoice cost	2½
10.	On guaranteeing the responsibility of persons to whom goods are sold on the amount of sale ...	2½
11.	On attending the delivery of contract goods to the Government or individuals	2½
12.	On collecting house rent	2½
13.	On sale or purchase of private Bills of Exchange ..	1
14.	On effecting remittances by Bills of Exchange ...	1
15.	On exchanging Government securities of all descriptions, or investing money therein, and on transferring Government paper from one constituent to another	½
16.	On surrendering or depositing in the Treasury Government securities of all descriptions	½
17.	On recovering of bonds, or of bills for absentees overdue at the time of their being placed in the possession of the Agent	2
18.	On debts when a process at law by arbitration is necessary	2½
19.	On debts when recovered by such means	5

		Per Cent.
20.	On managing the affairs of the estate for an executor or administrator	5
21.	On recovering funds from a bankrupt estate	2½
22.	On guaranteeing bills, bonds, or debts in general, by endorsement or otherwise...	2½
23.	On bills of exchange returned noted or protested ...	1
24.	On granting and cashing letters of credit	2½
25.	On becoming security to Government or public bodies in any case	2½
26.	On depositing Government paper as security for constituents	1
27.	On receipt or payment, at the option of the Agent, of all moneys not arising from proceeds of goods on which commission has been previously charged ...	1
28.	In cases where the debtor side of the account exceeds the creditor side, including the balance of interest, commission to be charged at the rate of	1

Native Consignments.

29. The recognised rate of commission in England on the sale of consignments from Bombay shall be 2½ per cent., exclusive of brokerage and guarantee, and the same is added to the Scale of Commissions sanctioned by the Chamber.

Shipping Business.

30. On procuring freight 5

"When the freight is payable in sterling the commission shall be calculated on the sterling amount at the following rates for Bank Bills, viz., at the rate for 6 months' sight Bank Bills when the freight is by sailing ships, and at the rate for 3 months' sight Bank Bills when by steamers."

Brokerage, when actually incurred, shall be considered a legitimate charge in ship's accounts.

31.	On collecting freight	2½
32.	On tendering a vessel (if accepted) for the conveyance of troops; on the amount of the charter party ...	5
33.	On shipping goods of every description on which no commission for the purchase has been charged ...	2½
34.	On shipping treasure, bullion, and jewellery ...	1
35.	On ship's disbursements when in funds...	1
36.	On ship's disbursements when not in funds	2½
37.	On account of passage-money, whether the same passes through the Agent's hands or not	5
38.	For executing orders to Charter or engage Tonnage in Bombay or at outports	2½
39.	On realising Bottomry Bonds or negotiating any loan on *respondentia*	2½

Per Cent.

40. On landing and re-shipping goods from any vessel in distress, stranded, or wrecked, or on landing or selling by auction damaged goods from any such vessel, and acting as agent for the Master on behalf of all concerned,—on the declared value of all such goods as may be re-shipped, and on net proceeds of all such goods as may be publicly sold... ... ... 2½
If Opium, Indigo, Raw Silk or Silk Goods... ... 1½
If Treasure, Precious Stones, or Jewellery... ... ½

41. On moneys expended, *i.e.*, on all disbursements made in efforts to save Ship or Cargo 5

42. On Ships leaving the Port in ballast which have been consigned inward, 6 annas per ton upon the English net registered tonnage.

43. On steamers leaving the Port in ballast which have been consigned inward, 8 annas per ton upon the English net registered tonnage.

44. On Ships leaving the Port in ballast which have been consigned inwards and outwards, 12 annas per ton upon the English net registered tonnage.

45. On steamers leaving the Port in ballast, which have been consigned inward and outward, Re. 1 per ton upon the English net registered tonnage.

Note applicable to rates of Commission generally.—When the amount on which commission is payable is stated in rupees, the commission shall be calculated in that currency; and when in sterling at the rate provided for under Rule 1 of the General Rates of Commission which fixes the rate "on procuring freight."

SHIP FREIGHT INWARDS TO BOMBAY.

PAYABLE IN BOMBAY.

———:o:———

THE Resolutions passed at the Special General Meeting of the Chamber on the 22nd March, 1871, regulating the payment in Bombay of Freight Inward to Bombay, were, at the General Meeting on the 9th August, 1876, in consequence of the altered condition of Exchange, cancelled as on the 1st January, 1877, from which date payment will be regulated in conformity with the following Resolution:—

46. "That the conversion into Indian currency of sterling freight inward to Bombay, payable in Bombay, shall, unless otherwise stipulated, be made at the rate for Bank Bills on London payable on demand; and that the rate ruling at the close of a mail shall be the rate applicable to such purpose during the subsequent week."

SHIP FREIGHT OUTWARDS FROM BOMBAY.

PAYABLE IN BOMBAY.

———:o:———

Resolution passed at the Annual General Meeting of the Chamber on the 31st October, 1876 :—

47. "That difference of freight, outward from Bombay, stated in sterling, payable in Bombay (in the absence of any stipulation on the shipping order or charter party to the contrary), shall be converted into Indian currency at the rate for Bank Bills on London payable on demand; and that the rate ruling at the close of a mail shall be the rate applicable to such purpose during the subsequent week: 4½ per cent. as customary in the case of sailing ships and 2½ for steamers being allowed as discount to cover cost of insurance and interest until the due date of the freight."

TONNAGE SCALE AT BOMBAY.

———:o:———

STEAMERS.

AT the Annual General Meeting of the Members of the Bombay Chamber of Commerce, held on Tuesday, 8th October, 1872, it was proposed by G. A. Kittredge, Esq., of Messrs. Stearns, Hobart & Co., seconded by Thomas Wilson, Esq., of Messrs. Antrobus & Co., and carried unanimously :—" That the subjoined Scale and the accompanying Rules be taken to regulate the steamer trade from Bombay and the Malabar Coast to the United Kingdom and the Continental Ports in Europe, in the absence of special agreement to the contrary" :—

1. That the Tonnage Scale for steamers shall be on the basis of 40 cubic feet and 16 cwt. dead weight to the ton.
2. That Hides and Skins, whether in bales or bundles, be taken by measurement and not by weight.
3. That Oil be taken on the outside measurement of the cask.
4. That when Freight is payable on weight, the same is to be on the nett weight delivered.
5. That these Rules and the subjoined Scale come into force for steamers from this date—Tuesday, 8th October, 1872.

SHIPS.

AT a General Meeting of Merchants held in the offices of the Chamber of Commerce, Bombay, on the 6th of June, 1856, convened by Circular under the direction of the Committee of the Chamber, William Forsyth Hunter, Esq., Chairman of the Chamber, in the chair, it was proposed by Henry Scott, Esq., of Messrs Finlay, Scott & Co., seconded by John Campbell, Esq., of Messrs. Campbell, Mitchell & Co., and unanimously carried :—" That from and after the 1st of January, 1857, the following amended Scale be taken to regulate the Trade from Bombay and the Malabar Coast to the United Kingdom, in the absence of special agreement to the contrary" :—

Proposed by James Fleming, Esq., of Messrs. W. Nicol & Co. and seconded by William Trevor Roper, Esq., of Messrs. Lawrence & Co., and carried unanimously :—" That the Freight on Oil be paid on the full gauge of the cask, ascertained at the port of discharge."

Proposed by Thomas Stock Cowie, Esq., of Messrs. Remington &, Co., and seconded by John Parsons, Esq., of Messrs. Cardwell, Parsons & Co., and carried unanimously :—" That when Freight is payable on weight, the same is to be on the Nett Weight delivered."

(Signed) W. F. HUNTER, *Chairman.*

AT the Annual General Meeting of the Bombay Chamber of

Commerce held on the 31st of October 1878, the following resolution was carried unanimously :—

"That the Sub-Committee be authorised to examine and report to the Chamber at a general meeting on the steam tonnage scale, with reference to wheat, oil seeds and oil, as well as to add such articles of export as are not at present included in the list."

Articles.	Steamers.	Ships.
	To the Ton.	To the Ton.
Aloes, in kegs	40 feet.	16 cwt.
Alum, in bags	16 cwt.	20 ,,
Annato, in cases	40 feet.	50 feet.
Apparel	do.	50 ,,
Arrowroot, in cases	do.	50 ,,
Assafœtida, in cases	do.	50 ,,
Barilla	16 cwt.	20 cwt.
Bees' Wax, in cases	40 feet.	50 feet.
Betelnut, in bags	13 cwt.	16 cwt.
Blackwood, in straight square logs	40 feet.	50 feet.
Do. otherwise	16 cwt.	20 cwt.
Books	40 feet.	50 feet.
Borax, in cases	do.	50 ,,
Do. in bags	16 cwt.	20 cwt.
Bullion	per cent.	per cent.
Camphor, in cases	40 feet.	50 feet.
Canes, Rattans, in bundles	13 cwt.	16 cwt.
Cardamoms, in bundles	40 feet.	50 feet.
Cassia Lignea, Fistula, and Buds	do.	50 ,,
Chasum	8 cwt.	10 cwt.
China Root, in cases	40 feet.	50 feet.
Cigars	do.	50 ,,
Cinnamon, in bales	...	6 cwt.
Do. in cases	40 feet.	50 feet.
Cloves, in cases	do.	50 ,,
Do. in bags or frazils	8 cwt.	10 cwt.
Coals	...	20 cwt.
Cocoa, in bags	10 cwt.	12 ,,
Coculus Indicus, in bags	13 do.	16 ,,
Coffee, in cases	40 feet.	50 feet.
Do. in bags or frazils	12 cwt.	16 cwt.
Coir, in bales	40 feet.	50 feet.
Do. in bundles or loose	5 cwt.	6 cwt.
Do. Rope, in coils	40 feet.	8 ,,
Colocynth, in cases	do.	50 feet.
Colombo Root, in bags	8 cwt.	14 cwt.
Copra, in robins	8 do.	12 ,,
Do. in bags	...	12 ,,
Coral, Rough (not specimen), in bags	16 do.	20 ,,
Cotton, in bales	40 feet.	50 feet.

ARTICLES.	STEAMERS.	SHIPS.
	To the Ton.	To the Ton.
Cowries, in cases	40 feet.	50 feet.
Do. in bags	16 cwt.	20 cwt.
Cubebs	10 do.	12 ,,
Cummin Seed, in cases	40 feet.	50 feet.
Cutch or Terra Japonica, in bags or baskets, unscrewed	13 cwt.	16 cwt.
Dates, wet	16 do.	20 ,,
Do. dry	13 do.	16 ,,
Dragon's Blood, in cases	40 feet.	50 feet.
Ebony square and straight	do.	50 ,,
Do. otherwise	16 cwt.	20 cwt.
Elephants' Teeth, in cases...	40 feet.	50 feet.
Do. in bundles	14 cwt.	18 cwt.
Do. loose	16 do.	20 ,,
Furniture	40 feet.	50 feet.
Galingals	10 cwt.	12 cwt.
Galls, in bags	13 do.	16 ,,
Do. in cases	40 feet.	50 feet.
Ginger, dry, in cases	do.	50 ,,
Do. in bags	10 cwt.	12 cwt.
Gram	15 do.	20 ,,
Ground Nuts, shelled	13 do.	16 ,,
Gums, of all kinds, in cases	40 feet.	50 feet.
Gum Olibanum, in bags	13 cwt.	16 cwt.
Hurtall, in cases	40 feet.	50 feet.
Hemp, in screwed bales	do.	50 ,,
Do. loose or in bundles	5 cwt.	7 cwt.
Hides and Skins, in screwed bales ...	40 feet.	50 feet.
Do. loose and in small bundles	do.	12 cwt.
Horns, Buffalo and Cow, loose	13 cwt.	16 ,,
Do. Deer, loose	6 do.	8 ,,
Horn Tips, of any kind	13 cwt.	16 ,,
Indigo, in cases	40 feet.	50 feet.
Jackwood	do.	50 ,,
Lac Dye, in shells or cases...	do.	50 ,,
Linseed, in bags	16 cwt.	18 cwt.
Mace, in cases	40 feet.	50 feet.
Mother-o'-Pearl, in cases...	do.	50 ,,
Do. in bags	16 cwt.	20 cwt.
Munjeet or Madder Root, in cases or bales	40 feet.	50 feet.
Do. in bundles or bags...	8 cwt.	12 cwt.
Musk, in cases	40 feet.	50 feet.
Myrabolams, in bags	13 cwt.	16 cwt.
Nutmegs, in cases	40 feet.	50 feet.
Nux Vomica, in cases	do.	50 ,,
Do. in bags	13 cwt.	16 cwt.

ARTICLES.	STEAMERS.	SHIPS.
	To the Ton.	To the Ton.
Oil, of any kind, in casks	40 feet.	210 Im.gals
Oil Seeds—Teel, Rape, Mustard, Gingelly, and Castor...	14 cwt.	17 cwt.
Opium...	per chest.	per chest.
Paddy, in bags	13 cwt.	16 cwt.
Pepper, in bags	13 do.	16 ,,
Pimento	12 do.	14 ,,
Plumbago, in bags	16 do.	20 ,,
Rattans, in bundles	13 do.	16 ,,
Do. Ground	13 cwt.	16 ,,
Red Wood	do.	16 ,,
Rhubarb, in cases	40 feet.	50 feet.
Rice, in bags...	16 cwt.	20 cwt.
Safflower, in cases	40 feet.	50 feet.
Do. in screwed bales	do.	50 ,,
Do. in bags	8 cwt.	10 cwt.
Sago, in cases	40 feet.	50 feet.
Sal Ammoniac, in cases	do.	50 ,,
Do. in bags	15 cwt.	18 cwt.
Saltpetre	16 do.	20 ,,
Sandal and Sapan Wood	11 do.	16 ,,
Sealing Wax, in cases	40 feet.	50 feet.
Senna, in bags	5 cwt.	6 cwt.
Do. in bales	40 feet.	50 feet.
Shells, Rough, in bags	16 cwt.	20 cwt.
Silk, in bales...	8 do.	10 ,,
Do. in cases...	40 feet.	50 feet.
Soap, in cases	do.	50 ,,
Sugar, in bags	16 cwt.	20 cwt.
Talc	do.	20 ,,
Tallow	40 feet.	50 feet.
Tamarinds	15 cwt.	18 cwt.
Tea, in chests	40 feet.	50 feet.
Timber, Teak: Square, Planks and Poon	do.	50 ,,
Do. Round, one-fifth off.	...	...
Tobacco, in bales	40 feet.	50 ,,
Tortoise Shells, in chests	do.	50 ,,
Turmeric, in bags	11 cwt.	13 cwt.
Tutenague	16 do.	20 ,,
Unrated Wood	11 do.	14 ,,
Whanghees (*vide* Canes)	13 do.	16 ,,
Wheat	16 do.	20 ,,
Wines and Spirits, in casks	40 feet.	50 feet.
Do. in cases...	do.	50 ,,
Wool, in screwed bales	do.	50 feet.
Zedory	16 cwt.	20 cwt.

*** The Standard Ton at Bombay for Measurement Goods shall be taken at 50 cubic feet.

SCALE OF LANDING CHARGES,

CHARGEABLE TO CONSIGNEES FOR THE LANDING OF GOODS.

Sanctioned by the Bombay Chamber of Commerce, at the Annual General Meeting of the Members held on the 30th of October, 1877.

[These rates are understood to be maximum rates and to cover landing, cranage, and delivery on the Bunder, but not Bunder Fees.]

Articles.	How Charged.	Rs.	a.	p.
Almonds	Bag.	0	1	0
Alum	Ton.	1	4	0
Arrowroot	In moras of 1½ cwt.	0	2	0
Do.	In cases of 1 cwt.	0	2	0
Asphalte	Ton.	1	4	0
Assafœtida	Bag.	0	6	0
Beer and Porter	Hogshead.	0	8	0
Beads	Case.	0	5	0
Boilers	...	Special.		
Books	Ordinary Case.	0	5	0
Boots	Case.	0	5	0
Borax	Do.	0	5	0
Brassware (with cranage)	Ton.	1	12	0
Do. (without do.)	Do.	1	4	0
Brass Leaves	Case.	0	2	0
Bricks, Fire	Ton.	1	4	0
Bullion	...	Special.		
Camphor	Case.	0	4	0
Do.	Tub.	0	1	6
Candles	Cwt.	0	3	0
Canvas	Bale.	0	5	0
Cardamoms	Bag.	0	2	0
Do.	In cases of 2 cwt.	0	6	0
Carpets	Package.	0	7	0
Carriages	Each.	8	0	0
Cashewnuts	Bag.	0	2	0
Cassia	Case.	0	3	0
Cement	Ton.	1	12	0
Chalk	Do.	1	4	0
Chillies	Bag.	0	1	0

Articles.	How Charged.	Rs.	a.	p.
Cheroots	In cases of 10,000	0	8	0
Clay, China, or Fire	Ton.	1	12	0
Cloves	Bag not exceeding 1½ cwt.	0	1	3
Cochineal	Case.	0	5	0
Cocoanuts	Bundle.	0	2	0
Coal (on the South of the P. & O. Co.'s Dock)	Ton.	0	12	0
Do. (on the North of the P. & O. Co.'s Dock)	Do.	1	0	0
Coffee (in Bags)	Do.	1	8	0
Coir	In bundles of cwt.	0	1	0
Copper and Yellow Metal (in Cases)	Ton.	1	12	0
Do. do. (in Cakes or Slabs).	Do.	1	6	0
Copra	Bag.	0	1	0
Do.	Robbin.	0	2	0
Copperas or Sulphate of Copper ...	Ton.	1	12	0
Cotton, Full-pressed Bales ...	Bale.	0	5	0
Do. (Unpressed) in Doeras and Half-pressed Bales	Cwt.	0	1	6
Crackers	Case.	0	4	0
Crockery	Cask or Crate.	1	0	0
Dates, dry (in Mats or Bags) ...	Cwt.	0	1	0
Do. wet (do. do.) ...	Do.	0	1	0
Drugs	Bag or Case.	0	5	0
Fishmaws and Sharkfins	Bag.	0	4	0
Flax	Bale.	0	5	0
Flour	Ton.	1	12	0
Fruits, dried (in Bags, &c.) ...	Cwt.	0	1	0
Ghee	Dubber.	0	4	0
Ginger, dried	Case or Bag.	0	3	0
Glass, Window	Case.	0	2	0
Grain of all sorts...	Bag.	0	1	0
Groundnuts	Do.	0	1	0
Gums (in Bags)	Cwt.	0	1	0
Gunny Bags	Bale.	0	6	0
Do. Bundles (Bundle of 50) ...	Bundle.	0	1	0
Haberdashery and Millinery ...	Small Case	0	4	0
Do. do.	Large do.	0	6	0
Hardware (with cranage)... ...	Ton.	1	12	0
Do. (without do)... ...	Do.	1	4	0
Hides (in pressed Bales)	Cwt.	0	1	0
Indigo	Case.	0	6	0

Articles.	How Charged.	Rs.	a.	p.
Ironmongery (with cranage) ...	Ton.	1	12	0
Do. (without do.) ...	Do.	1	4	0
Iron (Loose and in Bundles) ...	Do.	1	4	0
Do. Pig	Do.	1	0	0
Jaghery...	Bag.	0	1	0
Jute	Bale.	0	5	0
Lashings	Do.	0	5	0
Lead Sheets	Ton.	1	12	0
Mace	Case.	0	3	0
Machinery (weight or measurement as per Bill of Lading)	In pieces under a ton, per ton.	1	12	0
Marble Slabs	Do.	2	0	0
Matches	Case.	0	5	0
Mats of sorts	Cwt.	0	1	0
Medicine	Case.	0	5	0
Millinery and Haberdashery ...	Small Case.	0	4	0
Do. do.	Large do.	0	6	0
Nuts of sorts (in Bags)	Cwt.	0	1	0
Nutmegs (in Bags or Cases) ...	Do.	0	1	0
Oils (in Casks)	Ton.	2	0	0
Oil (Kerosine)	Case.	0	1	0
Oilmanstores	Large Case.	0	3	0
Do.	Small do.	0	1	0
Paper	Bale or Case	0	5	0
Do. China	Do.	0	8	0
Paint (in Oil)	Ton.	2	8	0
Pepper (in Bags)...	Cwt.	0	1	0
Pianos	Each.	5	0	0
Piece Goods from Europe... ...	Bale or Case.	0	5	0
Porter and Beer	Hogshead.	0	8	0
Quick Silver	Bottle.	0	3	0
Read Lead	Ton.	1	12	0
Rice	Bag not exceeding 1½ cwt.	0	1	0
Rope (with cranage)	Ton.	2	0	0
Do. (without do.)	Do.	1	8	0
Saffron	Case.	0	5	0
Safflower	Bag.	0	2	0
Saltpetre (in Bags)	Cwt.	0	1	0

Articles.	How Charged.	Rs.	a.	p.
Seeds, in Bags	Cwt.	0	1	0
Sharkfins and Fishmaws	Bag.	0	4	0
Shells (Mother-o'-Pearl), in Bags ..	Cwt.	0	1	0
Shellac...	Case.	0	4	0
Silk, China	Bale.	0	6	0
Do. Pieces	Case.	0	6	0
Skins, Goat (in Bales or Bundles) ...	Cwt.	0	1	0
Spelter...	Ton.	1	4	0
Spices, in Bags or Cases	Cwt.	0	1	0
Spirits, Wine and Beer, per dozen Quarts or 2 dozen Pints ...	Dozen.	0	1	0
Stationery	Package.	0	5	0
Steel (in Kegs and Loose) ...	Ton.	1	4	0
Sugar	Bag not exceeding 1½ cwt.	0	1	3
Sulphur	Ton.	1	12	0
Tallow	Cask.	0	5	0
Tea	Half Chest.	0	1	0
Do.	Whole do.	0	2	0
Timber, Logs and Squares ...	Ton of 50 C. Feet.	1	4	0
Do. Scantlings, Shingles, &c....	Do.	1	8	0
Tin Plates (in Boxes)	Ton.	1	4	0
Tobacco...	Case.	0	4	0
Turmeric	Bag.	0	1	0
Tusks, Elephant...	Bundle.	0	6	0
Do. do.	Piece.	0	2	0
Twist or Yarn	Bale.	0	5	0
Umbrellas	Case.	0	5	0
Vermillion	Do.	0	4	0
Wine and other Liquors	Hogshead.	0	10	0
Do.	Quarter Cask.	0	5	0
Wool, Pressed	Bale.	0	5	0
Do. Unpressed..	Bora.	0	8	0
Yellow Metal and Copper (in Cases).	Ton.	1	12	0
Do. do. do. (in Cakes & Slabs	Do.	1	6	0

GENERAL MEETINGS IN 1877-78.

A SPECIAL GENERAL MEETING of the Members of the Chamber of Commerce was held at the office of the Chamber on Friday, the 22nd March 1878, to consider the negotiations by Government for the purchase of Foreshore properties.

Present :—

The Honble W. LANG, *Chairman, in the Chair.*

Mr. M. MOWAT, *Deputy Chairman.*

Mr. J. Dickson,	Mr. W. Gilbert,
,, John Brandenburg,	,, S. D. Sassoon,
,, T. H. Moore,	,, E. Moses,
,, W. Maitland,	,, S. Solomon,
,, J. L. Symonds,	,, E. Spinner,
,, J. A. Forbes,	,, J. Y. Lang,
,, Sorabjee Framjee Patell,	,, C. T. Meili,
,, J. K. Bythell,	,, H. A. Richardson,
,, D. Graham,	,, J. Janni,
,, R. H. Cheetham,	,, H. W. Jones,
,, R. B. Sedgwick,	,, W. A. Baker,
,, H. Maxwell,	,, C. Grondona,
,, W. G. Hall,	,, A. Blascheck,
,, R. Roberts,	,, J. Hector,
,, C. Poole,	,, T. Thorburn, and

Mr. J. GORDON, *Secretary.*

The Circular convening the Meeting was read by the Secretary.

The G. I. P. Railway Company, and the B. B. and C. I. Railway Company were, on the motion of the Chairman, seconded by the Deputy Chairman, admitted members of the Chamber, after ballot.

Messrs. Sir Charles Forbes and Co. were, on the motion of Mr. Hamilton Maxwell, of Messrs. W. Nicol & Co., seconded by the Chairman, admitted members of the Chamber, after ballot.

The Chairman concluded the customary statement of the business which had occupied the attention of the Committee since the last Meeting of the Chamber with the following remarks on the negotiations entered into by Government for the purchase of the foreshore properties to consider which the Meeting had been more specially called :—

Members of the Chamber were aware of the steps taken by the

Government of India for the acquisition of the property of the private foreshore companies in Bombay. The Committee had considered that it was necessary to take action in order to remind Government that this was a question in which the trade of the port was very greatly interested, and that it was a matter very deeply affecting the trade of the port. So far, this was all the action the Committee had taken in the matter; and as this was a subject regarding which special resolutions were about to be moved, it was unnecessary for him to say anything more about it at present.

Mr. BYTHELL then formally moved the following resolution :—

"That this Chamber regrets that the Government of Bombay should have taken steps to buy up the foreshore rights in this harbour without having first consulted the Port Trust Board as to the advisability of the purchase, the terms thereof, or the financial settlement which the purchase will, if concluded, render necessary.

"That this Chamber respectfully claims a right to be consulted before the local Government accept on behalf of the trade of the port any readjustment of the capital debt, or any further liability to pay interest in respect of expenditure on the foreshore property.

"That if the sanction of the Government of India to the purchase of the foreshore properties has been given subject to the local Government undertaking that the trade of the port shall accept any such readjustment of debt or further liability to pay interest, then this Chamber protests most strongly against the purchase being concluded until the opinions of the Port Trust Board and of this Chamber shall have been taken and made known.

"That the Committee of the Chamber be instructed to send in a respectful memorial, embodying the foregoing resolutions, to the local Government, with a request that a copy thereof be sent forthwith to the Government of India."

Mr. MOWAT seconded the resolution.

Mr. J. A. FORBES moved, as an amendment :—

"That this Chamber believes that the negotiations which have been entered into by Government to acquire the Bombay foreshore properties can be so arranged as to prove conducive to the good of the trade of the port, but as this will depend on the form given to the new Trust and the amount of its capital liability, the Chamber trusts that it will be consulted on the subject before anything

is decided as to the constitution of the Board and the readjustment of the debt of the Trust."

Mr. J. Y. Lang seconded the amendment.

After some discussion, Mr. Hall suggested that a resolution should be drawn up between the movers and seconders of the resolution and the amendment confined to the one great point they had in view, which was that before the settlement of the capital debt and interest and the general formation of the new Port Trust, they should be consulted and have a voice in the matter.

Mr. BYTHELL said he accepted the suggestion that a compromise should be arrived at. He was as anxious as anyone that the Chamber should be unanimous in this matter, and should not go up to Government with divided votes. The compromise which had been agreed to was to adopt the amendment and the third clause of the original resolution, and the motion which he would now ask the Chamber to accept would read as follows :—

"That this Chamber believes that the negotiations which have been entered into by Government to acquire the Bombay foreshore properties can be so arranged as to prove conducive to the good of the trade of the port, but as this will depend on the form given to the new trust and the amount of its capital liability, the Chamber trusts that it will be consulted on the subject before anything is decided as to the constitution of the Board and the readjustment of the debt of the Trust.

"That if the sanction of the Government of India to the proposed purchase of the foreshore properties has been given subject to the local Government undertaking that the trade of the port shall accept any such readjustment of debt or any further liability to pay interest, then this Chamber respectfully claims a right to be consulted before the purchase is completed.

"That the Committee of the Chamber be instructed to send in a respectful memorial embodying the foregoing resolutions, to the local Government, with a request that a copy thereof be sent forthwith to the Government of India."

The resolution as amended was accepted by Mr. Mowat, and by Mr. Forbes and Mr. J. Y. Lang, and, on being put to the meeting, was carried unanimously.

The Meeting then separated after passing a vote of thanks to the Chairman.

THE Annual General Meeting of the Members of the Chamber of Commerce was held at the office of the Chamber on Thursday, the 31st October, 1878, for the purpose of transacting the following business :—

1. To receive the Report of the outgoing Committee, and to elect a Committee for the following year.
2. To consider the desirability of adding to the tonnage scale articles which are at present not included in the scale, but which are becoming more regular articles of export, and the expediency of revising the tonnage scale generally, or of merely making the necessary additions to the existing scale.

Present:—

Mr. WALTER LANG, *Chairman, in the Chair.*
Mr. M. MOWAT, *Deputy Chirman.*

Mr. A. Jameson,
,, James Dickson,
,, A. E. Ashley,
,, W. Maitland,
,, J. A. Forbes,
,, H. Forman,
,, O. Fiedler,
,, J. B. Paterson,
,, J. R. Greaves,
,, L. R. W. Forrest,
,, E. Coomber,
,, E. Miller,
,, C. Kapp,
,, K. A. Richardson,
,, J. Janni,
,, A. C. Blackhall,
,, F. Mathew,
Mr. R. Roberts,
,, C. Poole,
,, H. Curjel,
,, P. Fachiri,
,, S. D. Sassoon,
,, S. Solomon,
,, E. Moses,
,, J. Y. Lang,
,, G. A. Kittredge,
,, T. W. Wood,
,, T. H. Whitehead,
,, W. H. Jones,
,, W. A. Baker,
,, J. Hector,
,, J. R. Kellock,
,, C. Grondona,
and
Mr. J. GORDON, Secretary.

The CHAIRMAN said—Gentlemen, our year of office having expired, we have called you together as usual at this season, to give a short account of our stewardship. The questions which have come before us during the past year both of local and general interest have been exceptionally numerous, if this is a sign of an increasing disposition amongst the authorities to seek the opinion of the Chamber, on matters on which it is competent to advise, it is no matter for regret. I hope that you will generally

approve of what the Committee has done, although on one point I observe we may expect criticism. I trust, however, that our explanations on that point may be satisfactory. In glancing through the annual report you will observe that the question of *town duties levied by the Bombay Municipality* first figures. On all subjects connected with municipal taxation, we have continued to urge Government to give full effect to the principles laid down in the Government of India's despatches of November 1868, January 1871, and September 1877, but without much success. There is evidently a desire to resist change, for fear of lessening municipal revenue, as far as our local Municipality is concerned. Of course in such cases of flagrant evasion of all correct principles of municipal taxation, as were prevalent at Kurrachee, an entire reconstruction of municipal taxation has taken place under distinct orders from the Government of India. The insufficiency of rolling stock on the G. I. P. Railway has had our constant attention, and our representations have been cordially supported by the Bombay Government. We have received assurances that much has been done to increase the efficiency of the line, and we therefore hope that the railway will be able to cope satisfactorily with the large traffic which abundant crops will bring to it during the coming season. Whilst on railway subjects, I would remark that it is a matter of congratulation that a line of railway has at last been sanctioned between Nagpore and Raipore, and it is with regret that we hear it reported on good authority that the Government of India has receded from its original intention of constructing the line from Ahmedabad to Pahlanpore on the broad gauge, and that it has been almost decided to continue the narrow gauge to Ahmedabad. The new mail contract which has been entered into with the P. and O. Company is satisfactory as being a vast improvement on the contract at present in force, and as being fairly in accordance with the views expressed by the Chamber, and with the resolution passed at the public meeting held in Bombay in March last. The steps which were taken to resist the interpretation of certain clauses in the obnoxious Licence Tax Act, which the authorities were desirous of enforcing, are fresh in your memory. These claims were subsequently withdrawn, and we can only hope that the Act itself may be soon withdrawn, and that some measure may be substituted by which all classes alike may be called on to contribute their share to the requirements of the State for the prevention of future famines. You will observe that

we have protested strenuously against the abuses and vexations in the Custom-house management from which we suffer. We are quite convinced that no real improvement can be looked for until the appointments of Commissioner of Customs and Deputy Commissioner are more permanent. The uncertainties which still surround the silver question and the consequent fluctuations in exchange continue to exercise a depressing influence on trade, the recent action of the Government of India in purchasing the large sum of £1,600,000 of sterling exchange 6 months' sight bank bills in Calcutta is not calculated to make matters more settled. I now come to the last subject on which I shall touch—namely, the "foreshore question." At a general meeting held on 22nd March 1878, in these rooms, this Chamber after a lengthened discussion adopted resolutions virtually accepting the principle of the desirability of a Government purchase of the foreshore rights, subject only to the Chamber being consulted on certain details, before they were finally settled. I believe I am right in saying that these resolutions were carried unanimously. It is therefore with some surprise that I have read the letter which was sent to all members of the Chamber by Messrs. W. and A. Graham and Co., containing charges against the Committee of the Chamber, which are not justified by facts. We did not, as stated therein, "*take upon ourselves the responsibility of declaring the voice of the Chamber in a matter of such vital importance to the trade.*" The voice of the Chamber had been declared in approval of the acquirement by Government of the foreshore properties on 22nd March, and the Committee in recommending this in their letter to Government of 20th August merely re-affirmed the views held by the large majority of members, and gave expression to the feeling which was prevalent, that the matter should be finally settled. With regard to the criticisms on the action of the Committee which were expressed by a member of the Chamber in his letter of 31st August to the newspapers, we object only to the mode of criticism employed. I do not think it tends to the increase of influence or usefulness of the Chamber if members attack the acts of the Committee by means of letters in the public journals. We should have no reason to object to this course, if it were not open for any member to request on a requisition of three firms that a special general meeting of the Chamber should be called to discuss the action of the Committee, we should then have an opportunity of answering and explaining objections, which we have not

when we are attacked through letters in the public journals. I must claim your indulgence for a few minutes in order that I may explain our action as criticised in these letters. The first point in the Chamber's letter which is objected to is that the mercantile members should be elected by the Chamber, and we are told that no such recommendation should have been made until it had been approved by a general meeting. I cannot imagine, however, (whatever the writer's personal views may have been) that the Chamber will object to the committee having claimed for them the fullest possible power of election. I apprehend also that there is nobody better able to name suitable representatives from the native community than the Chamber. The writer also objects to the Committee expressing the hope that the land and foreshore estate of the Elphinstone property should be separated, and the latter only remain a charge on the trade. We are blamed in this particular for reversing the decision previously arrived at by the Chamber itself. To refute that it is only necessary for me to refer members to the pages 25 to 27 of the report of the Chamber of Commerce 1873-74. At the meetings reported there, the resolutions regarding the severance of the land estate were carried unanimously, and Mr. Kittredge was present and voted. With regard to the third point the Committee merely stated that the valuations of the properties were not generally considered very excessive, and that if they were slightly so, it would appear better to settle the matter and put an end to the uncertainty. The last, and as the writer puts it, "the last and worst charge" of all against us is, "that the Chamber recommended Government to pay the foreshore owners 4½ per cent. on the sums they have agreed to accept instead of 4 per cent. which they were prepared to accept." In the letter of the Secretary of the Chamber to Government, I certainly fail to see any grounds for this charge. Two schemes were before Government, one to buy outright the foreshore rights and to pay by bonds bearing 4 per cent.; and the other, an alternative scheme, submitted by the Government to the Chamber for opinion, the principle of which was the merging of the properties after valuation into a trust similar to the Mersey Dock Trust, one of the conditions in which was that a minimum of 4 per cent. interest might be guaranteed and a maximum of 6 per cent. might be allowed to the bondholders.

Mr. KITTREDGE.—Is that in the Government letter?

The CHAIRMAN.—It is in the Government letter.

Mr. KITTREDGE.—A minimum of 4 per cent. and a maximum of 6 per cent ?

The CHAIRMAN.—I am not quite sure as to the maximum of 6 per cent., but I am sure as to the minimum of 4 per cent.

Mr. KITTREDGE.—Are you referring to the letter of the 7th August ?

The CHAIRMAN.—No, the date is the 8th October.

Mr. KITTREDGE.—I beg your pardon. I thought we were referring to the first letter.

The CHAIRMAN.—The first letter had merely a vague reference to the question.

Mr. KITTREDGE.—Do I understand you to say you were replying to the letter of the 7th August, or to that of the 8th October ?

The CHAIRMAN.—I merely said we were aware of the facts from outside information. We were aware that that was the view of the Government of India,—that a minimum of 4 per cent. and a maximum of 6 per cent. should be allowed. That was the basis of the scheme. The letter of the Government of India was very vague, but we heard from telegrams from the India Office at home and also from very good authorities, that that was the basis of the scheme.

The CHAIRMAN then continued—It was to avoid this sliding scale of interest in the alternative scheme that the committee considered that it was preferable that a fixed interest of 4½ per cent. should be given. It was never suggested in the letter of the Chamber of Commerce that if Government reverted to their original intention of purchasing the foreshore rights outright (as the Chamber recommended should be done) that any other terms as regards interest than had always been offered should be proposed. Having as I hope satisfactorily explained the action of the committee, I would add that I do not think that it is desirable for us to discuss the foreshore question to-day except in so far as the action of the committee is concerned. It is useless attempting to re-open the question as to the desirability or not of Government purchasing the foreshore rights, that point has been practically decided by yourselves, as well as by Government to be the best under certain circumstances. I think, however, that it would be desirable that at an early date after the publication of the draft bill, the new committee should call a general meeting

to discuss the matter and appoint a committee to go through the bill in detail and to suggest the Legislative Council such amendments and additions as may seem desirable. This committee might also undertake the framing of a budget based on a fair estimate of what the gross and nett revenue from the entire Trust may be expected to be after moderate additions to the charges on some articles, and how that would compare with the amounts to be paid for interest on the entire debt. You will observe that though the committee has consistently advocated separation or revaluation of the Elphinstone land estate, on the new Trust being formed, it is very evident from the despatch of the Government of India of 8th October that no such course is contemplated, this is contrary to what we had reason to expect, and it will be a fair ground for argument at a future meeting on this subject whether the amount of interest to be paid annually on the value as it at present stands, plus the cost of the dock, and the properties to be now acquired will necessitate excessive burdens being laid on the trade. In round numbers about 15 lacs of nett revenue will be required to cover this interest charge, and to my mind this does not appear to be an amount in excess of what the trade can reasonably bear taking the revenue from the dock into consideration. Several bills have been referred to us from Calcutta for report, such as the Consolidated Customs Bill, the Negotiable Instruments Bill, the Stamp Bill, the Indian Merchants' Shipping Bill, and special committees on all were appointed. We have every reason to believe that the suggestions made in the reports of the select committees have been of service to those in charge of the bills.

Mr. ASHLEY moved the following resolution :—" That the report of the committee which has been circulated be received with thanks, and printed for general information, together with the documents therein referred to, and that the members of the retiring committee do now receive the thanks of the Chamber for their attention to its interests during the year of office now expired."

Mr. F. MATHEW seconded the motion.

Mr. KITTREDGE (Messrs. Stearns, Hobart and Co.)—Mr. Chairman and Gentlemen,—It is an unusual thing at meetings of this Chamber that any criticism should be passed upon any action of the committee during the previous year; and on that account I have no doubt it may seem to some rather invidious

that I should rise now to criticise the action of the committee in regard to their letter to Government on the foreshore question which has been referred to by the Chairman. I think myself that it is most unfortunate that any such idea should be prevalent. I think it unfortunate that we do not regularly criticise what has been done by the committee. It is unfortunate in two ways. In the first place, if we approve of what the committee has done it gives them greater power and greater influence with the Government and with those with whom they come in contact. If we do not approve of what they have done it gives us an opportunity of expressing that disapproval and the Chamber will have much greater influence outside if it is known that everything the committee does is subject to severe criticism in this Chamber. Now I would recognise as readily as any one the obligations we are under to the retiring committee for their labours during the past year. No one knows better than I the great amount of time and trouble it takes to attend to the business in this Chamber; but, I do not think that our recognition of our obligation to the committee in this respect should prevent us from criticising in the fullest way, and in the severest way if we think it necessary, any action that they may have taken, and I do not believe that the committee would deprecate criticism, I believe that they are not so skinflint that they are unwilling to have their acts criticised; on the other hand I am confident they would court such criticism. Now, gentlemen, I have said my course is unusual, but a provocation for my course is also unusual. We have it laid down in the rules of the Chamber that we shall have a quarterly meeting at which all the business of the previous three months shall be presented. We never have these quarterly meetings and we do not have those opportunities of criticising which we are entitled to. Those rules I acknowledge have not been followed in years past, but there is one rule which has been followed universally, and that is that when any question of importance comes before the committee of the Chamber such question shall be brought before a meeting of the whole Chamber for discussion. Now I have a further provocation that the committee in this case of the foreshore question not only did not call a meeting of the Chamber to discuss the question laid before them, but they did not do so notwithstanding the Chamber had in March last passed two special resolutions asking that it should be laid before them before final settlement. Let me read them. In the first part of

the resolution of March last we say, "The Chamber trusts that it will be consulted," not that its Committee will be consulted, on "the subject before anything is decided as to the constitution of the board and the readjustment of the debt of the Trust." Again, in the next clause it says, "the Chamber respectfully claims the right to be consulted before the purchase is completed." Now, I claim that there is a provocation given us to criticise the action of the Committee. They neglected to refer the matter to the Chamber even though the Chamber in two special resolutions stated their opinion that they should be consulted. And I have a further provocation in regard to this matter, that the Committee in their letter to Government not only replied to this important question without consulting the Chamber, but they go beyond the request of Government and give their opinion on important points on which their advice was not asked and that without consulting the Chamber. Now, gentlemen, one word as to my right to send a letter to the public press on the action of the committee to which course the Chairman has taken exception. There were three reasons why I did not take steps to call a meeting of the Chamber, and lay my complaint before the members. In the first place on account of the delay that would be caused. Before I returned to Bombay the letter had been published and gone on to the Government of India; to call a meeting of this Chamber would have taken at least a week and my object was, without any delay, to bring the matter before the public in order that the public might discuss the question, and that the Government of India in that manner might know that the action of the Committee did not convey the opinion of the whole of the Chamber. Another reason was this: I did not want to censure the Committee, and as they told me at the time perhaps cause their resignation. That was not my object. I had no wish that the Committee should resign on account of this letter. I simply wanted the facts. I simply wanted the objections to go before the public. Another objection I had to calling a meeting of the Chamber on the subject was that if I had called such a meeting the question discussed might not have been the question which I wanted to be discussed. The question before us would have been "shall we turn out the Committee or not?" Many who do not approve of that letter would have voted against any criticism of the Committee rather than have taken any steps which

would have led to the resignation of the Committee who had done so much for them during the past year. I think my course is fully justified by these reasons; but I go farther; I contend that by becoming members of the Chamber we do not cease to be citizens. Although I am a member of this Chamber I have a perfect right to appeal to the public press on any public questions whatsoever. If I have not, then I consider the membership of this Chamber is obtained at too high a cost; and I should certainly cease to be a member if I were not allowed to bring public questions before that High Court of Appeal, Public Opinion, which we can only reach through the Public Press. It seems to me rather strange that in these days we should have to defend the right of an appeal to public opinion; and it looks to me very much as though the bad example of the Government of India had its effect even here, and that our Committee following that bad example would muzzle us as the Government of India have muzzled their native subjects and prevent our going to the press unless we go in their own way, in their own form, and according to rules which they have made. I do not recognise that. I believe we have a perfect right to come here or have a perfect right outside in the public press to bring forward any public measure and get it publicly discussed. And now, gentlemen, allow me to say a few words in support of the position taken in my letter in the papers of the 31st August; as that letter has been criticized by the press, and exception has been made to it by our Chairman to-day. Now, gentlemen, the first objection I made was in regard to the Committee of this Chamber arrogating to itself, in case election were given of members of the new trust, the right to elect all those members. I object to that because I think it a thoroughly selfish policy. (We are a very small minority here, though we are an influential minority, but we are only 49 out of perhaps a thousand firms. And who are the firms outside this Chamber? Are they not firms of wealth, of experience, and enterprise? Don't they control the whole trade with the Red Sea, the Mauritius, the Persian Gulf, with the Coast with Calcutta and (with the exception of one member of the Chamber) the whole of that valuable trade with China.) Are they to count for nothing? What does the principle of election mean? If it means anything it means that those who are interested are to elect persons who they know will further and protect their interests. What does this Chamber know about the interests of the China trade, or the

Calcutta trade, or the Mauritius trade? It would be simply Government handing over to us what it now does itself. But, gentlemen, supposing that we do monopolise all the wealth and all the experience, and all the enterprise, and all the energy of the place would we not be generous enough to give to the hundreds of native firms who are here the right of electing one or two of their numbers? Must we arrogate to ourselves the whole? We have the credit, and rightly, of fostering and defending all the mercantile interests of the place. Shall we compromise that credit which we have gained by insisting upon a reward for it and claim that because we do protect and defend the trade that whatever the privileges which belong to the whole trade are they must belong to us? I do not suppose any such idea would receive a moment's support in this Chamber. My own idea is that election is fallacious altogether, and when the question comes up as it will when we are considering the new Act, I shall oppose it by every means in my power; but if we are going to have election let us have fair election and let each mercantile firm have its share of the privilege. My next criticism was with regard to the land estate; and here I want to acknowledge an error and apologise to the Committee for it. I stated in my letter that the Chamber had refused to pass a resolution to give up the land estate. I remember distinctly bringing forward that resolution and having it rejected, but the Chairman has called my attention to the resolution which was passed by this Chamber in 1874 confirming a resolution that Government should be asked to take back their land estate. But, gentlemen, that does not affect the principle which I was contending for, and that principle is that the Chamber of Commerce ought to have been consulted with regard to that matter. It is true as I say now that in 1874 we did resolve that Government should be asked to take back the land estate. Will the Committee tell us upon what figures they now ask Government to take it back? There were figures before us then. There were facts before us then. What facts and what figures have the Committee got? And I would ask them, if they can do so, if they will bring forward any figures or tell us if they took the trouble to ascertain the facts regarding the land estate so as to see what it was worth. Now, gentlemen, what would be thought of any one of us who had an estate bought for him some years ago, which he protested against, and that after some years he should go on protesting, that some one should take

away this estate from him and not once enquire what the estate was paying, or whether or not it was likely to pay. This is exactly the position in which the Committee of the Chamber has put us. Let me call your attention to 1874 and afterwards to 1878. How did we stand in 1874 when the Chamber resolved to ask Government to take back this Land Estate? In the first place the deficit on the Port Trust was a lakh and three quarters. In the next place the Land Estate brought in gross Rs. 1,35,000, while interest was Rs. 2,80,000, thus paying less than two per cent. and we were paying Government 4 per cent. There was no dock; there was no certainty that there would be a dock; and if there should be a dock no certainty where it would be built. The chances were in favour of Mody Bay for the whole efforts of the Government were for building a dock in Mody Bay which would have ruined the Elphinstone Land Estate, and those of us who wanted it built on the Elphinstone Estate had not confidence we should be able to carry the point even in this Chamber, and all we could do was to pass a resolution that the position should be left to Government. That was the condition of affairs in 1874, and then we did quite right in asking the Government to take back the land estate. It was simply a speculation. It was paying. There was then no prospect that it would pay. It was simply making the trade of the port enter upon a speculation in land which we had nothing whatever to do with. But what is the state of things now in 1878? Instead of a deficit the Port Trust had last year a surplus of over a lakh of rupees. The revenue of the land estate has grown from Rs. 1,30,000 to Rs. 2,45,000, and that in spite of the building of the dock, which has driven away the coal and the timber and the sand trade which all paid us well. In spite of the dock therefore in four years that Land Estate has nearly doubled its receipts. We have the dock built and ready to be opened in six months. Considering the revenue we gain, for the very small portions of the Land Estate which are now occupied can any one doubt that when this dock is opened we shall gain enormously, that the Land Estate will be of immense value? Gentlemen, the Chairman has reminded us that we shall have to pay 15 lakhs of rupees interest. The Port Trust can only raise now eight lakhs. Where are the remaining seven lakhs coming from? From Mazagon, from Colaba, or from Sassoon Dock? There is no hope whatever of our getting rid of the enormous burden on the trade but by that Land Estate. I see no hopes at all but in that,

and instead of asking Government to take that back we should oppose such transfer by every means in our power. Now that estate is not a speculation but a valuable asset and we must hold on to it. We may do one thing and that we should do, namely, get a reduced price put on this land estate. It is well known that the Port Trust gave up to the G. I. P. Railway from the Elphinstone Estate property worth 70 lakhs of rupees, and we have received in return for that property the Apollo Bunder and other portions of the foreshore worth only 40 lakhs, and that pays only a little over one per cent. on that value. Consequently we are heavy losers, and I do think the Government of India are bound in equity considering all they got out of Bombay at the time of the land speculations to give us the full value of that land which was made over to the G. I. P., and I believe we have only to claim it and persist in the claim to get it. It is far better we should hold on to the Land Estate for that is the only way of reducing our export and import fees. But, gentlemen, suppose you would decide if the matter were brought before you that it should be given up, is it not worth consideration? Have I not shown enough of the value of it to make you all believe that we should have considered that subject and that the Committee had no right to ask Government to take that over in the name of the Chamber without consulting us and laying facts and figures before us? That is all I contended for in my letter that the matter should have been discussed and we should have the facts and figures brought before us, and let the Chamber decide and not let the Committee decide without any facts and without any figures and address Government in our name. And now, gentlemen, I come to my third point of criticism, and that is my complaint that the Committee have in the name of the Chamber asked Government to take over these foreshore properties of these companies at the price the shareholders have asked for them. What is the ground of that advice which the Committee rendered to Government? Can they give us any figures of the value of those properties? Will they tell us what the incomes of those properties have been, though as far as that goes they have been so infinitesimal for the last four of five years they may well be excused for overlooking them. Not a fact, not a figure. Nothing is laid before us. Nothing is laid before Government. And what is the ground upon which they recommend Government to pay this? There are two. In the first place, these valuations are "not generally con-

sidered as excessive." Gentlemen, is that the way we buy property? Is that the way we buy goods? Is that the way we do our business? Trade is in a bad enough position now, but I think we should be worse off if we did business on that plan. If the Committee of the Chamber had come forward and given the income of those estates, their area, and the probable value of the land, and the value of the property in the land, and proved that those estates were worth 77 lakhs which they recommend Government to give, I should not have had a word to say, except "Let us discuss it and see whether you are right in your figures." But when they come forward and recommend Government without our knowledge in our income to pay these sums and only give that as a reason for recommending it, have I not a right to criticise them? But there is one other reason given by the Committee, and that is that it would "put an end to the uncertainty which has long existed." What uncertainty? Uncertainty how soon cotton is to pay two annas instead of nothing as bunder fees? Uncertainty how soon opium is to pay two rupees instead of two annas? Uncertainty how soon piece goods are to pay four annas instead of two annas? Uncertainty whether wheat and seeds are to pay eight annas instead of six annas per ton? What other uncertainty is there? I know of none. Is it not absolutely certain that when we have to pay an annual interest of 15 lakhs all our bunder fees must be largely increased? There is no uncertainty whatever in which the trade is interested except in respect to getting the cotton trade from Mazagon to Colaba, but we had that in our own hands if we wanted to exercise the authority. We need never have gone there. But suppose we could not have done that, is the moving of the cotton trade from Mazagon to Colaba worth 77 lakhs of rupees? Gentlemen, had I not a right to criticise that recommendation? Were those grounds upon which a Committee of business appointed by a Chamber of Commerce should go to Government and recommend a purchase at 77 lakhs of rupees which will make the debt for which this trade is held responsible amount to very nearly four crores of rupees? Had I not sufficient grounds to criticise them? Had I not grounds to demand that they should have been referred to the Chamber before any such recommendations had been made to the Government in our name? Gentlemen, there were people who were troubled by this uncertainty; they were the shareholders of the companies; but the trade is not troubled. There is no uncertainty that injures

the trade whatever. It is only the shareholders of the companies and I do not wonder they are troubled with hope of this big price that there is any delay. My fourth criticism was that the Committee of the Chamber had recommended that as Government pay 4½ per cent. now for money which they borrow they should pay 4½ per cent. on those values which the Committee recommended Government to pay for this property. Our Chairman had told us that they did not recommend it in case of the properties being bought but only in case there was an amalgamation scheme. But there would be less objection to the recommendation in case of a purchase than in the event of an amalgamation, as in the former case we should need to pay 4½ per cent. on the Elphinstone purchase after 1883 : while in the latter there would be a minimum of 4 per cent. to be paid on the value of the whole foreshore property. The amalgamation scheme which Government laid before the Committee distinctly lays down that the whole of the foreshore properties would be separately valued by competent and independent persons and merged into a single trust. Now, it has been said with regard to my proposition that in 1883 we shall have to pay 4½ at any rate. We should not have paid the 4½ until 1883, and that would have been a saving of 7⅓ lakhs, but under the recommendation of the Committee we should in fact have to pay the 4⅓ per cent. from the time of the purchase. I say that under the amalgamation scheme, the recommendation to Government to pay 4⅓ per cent., would saddle the trade with an extra ½ per cent. upon the whole indebtedness from this time onwards. It is to me a matter not of entire satisfaction that we have Government stepping in as protection to the trade against our own Committee. But in their own report the Committee go even further. They say, "Your Committee consider that in the event of a scheme on the basis of the Mersey Docks being adopted it will be preferable that the maximum of 4½ per cent. should be given." A maximum rate of 4½ per cent.! A maximum without a minimum! But this was to be guaranteed according to the recommendation of the Committee "interest at the rate of 4½ per cent. be guaranteed to the bondholders." How can you guarantee a maximum? It is a contradiction in terms. If you guarantee a maximum it becomes a minimum. Perhaps Mr. Mowat will explain that, (laughter); but, gentlemen, our Chairman tells us they considered that 4½ per cent. would be better than 4 per cent. running up to 6. Now, gentlemen, we have nothing whatever to do, and I contend, that

the Committee of the Chamber at that time had nothing to do with private information and private telegrams. The proposition which Government laid before them was clear. If they did not know what it meant they should have gone back to Government for an explanation. They had no right whatever to act on what some man told them he had heard from somebody else. I contend that the Committee of the Chamber had no right whatever to recommend 4½ per cent. on the strength that some one had got a telegram from some one whom we don't know, stating that the Government at home proposed 4 rising to 6 per cent. But our Chairman has not understood clearly the proposition of Government, if you look to the letter of the 6th October you will see that. They did not intend 4 per cent. rising to 6 on the values which the owners of this property say they must have. It was on the valuations to be made by independent competent persons. Well, I say that if a valuation were made by independent competent persons it might be easier for the trade to pay 6 per cent. on that valuation than 4 per cent. on price recommended by the Committee ; and to say that the home Government or any other Government suggested 4 per cent. rising to 6 per cent. on valuation made by competent persons did not authorise this Committee in any way to recommend 4½ per cent. on the price that these shareholders wish for their property. The two things have nothing to do with each other. Nothing whatever. But, gentlemen, whether it was 4, or 6, or 4½, had we not a right to be consulted in this matter ? Even if I am wrong ; even if the 4½ per cent. would be a good thing ; even if the Committee are right in taking private telegrams, and private information, from this man and that man, as to what Government intend to do, am I not right in claiming that this matter should have come before the Chamber ; and that they should say whether 4½ is or is not better than 4 per cent. rising to 6 ? that is all my letter contended for. Now, gentlemen, I have discussed all those points on which I criticised the action of the Committee, and I have explained to you why I took the course appealing directly to public opinion instead of calling a meeting of this Chamber to censure the committee. I do not propose to go on to discuss the foreshore purchase in itself because as the chairman has said it had far better be discussed later on when the bill comes before Government. I shall have something to say then. I agree with our Chairman that in March last we approved the principle of the purchase ; and

we must accept that; and I think we shall find we have done wisely. I would speak of some other things in the Chamber's Report if there were time: and if, a very important if, I knew how to speak of them. I see certain reports here in a general way of what the Committee have done in reference to certain appendices. There are no appendices here. I would like to refer to the action of the Committee with reference to the Municipal town dues if I only knew what they say. I would also like to refer to their action with regard to the Goa Railway if I had known what they said, and I think it is likely I should not fully approve all of it. There are some other points which I should like to refer to with approval. One is the letter on the changes in the Custom House, and the other is the Government control over the telegraph, but I do not know what has been done. In closing I would only remind the Committee and the Chamber that while in criticising their action we may find fault with certain things they have done, in other things they will have the support of the whole body of the Chamber; and I believe that will go a great way towards giving the Chamber the influence, which it has hitherto maintained, and ought to maintain. Gentlemen, if we are to come here year after year to hold up our hands for Officers, a list of whom has been previously prepared for us, without knowing who the men are, or whether they are fit for their duties, and if we are to sit here while their reports are read over, and we are not to criticise their action, can we expect that the influence of this Chamber will extend? I would venture to hope that every Committee of the Chamber will court in the fullest way the fullest criticism, and from every member: that we should go back to our quarterly meeting when we should have fewer subjects and have time to criticise them; and I would remind the Committee too of one thing, and that is the truth of the remark of John Stewart Mill that you gain a livelier perception and a clear position of truth when it comes in contact with error, and even though we stand here and make objections which are not tenable against what the Committee have done, it can only make their case clearer. If I write a letter to public papers, gentlemen of the Committee, if your measures are sound I can do you no harm, nor can any one else; but if you recommend that this Chamber shall arrogate to itself privileges which belong to others; if you recommend that the Chamber without any figure shall throw away a grand estate which promises to be of immense value to them; if you recommend that the Government shall pay the full price

for estates which in all probability they can buy very considerably less for the simple reason that it is "generally considered not excessive," and if you recommend that these sellers should be paid 4½ per cent. when they have agreed to accept 4 per cent. you may well fear, and you may well object to letters in the public papers. (Applause).

Mr. PATERSON (Messrs. W. & A. Graham and Co.) said—Mr. Chairman and Gentlemen,—The only matter referred to in this report, or in the Chairman's speech, to which I shall draw your attention is this foreshore question. My firm issued a circular last week, addressed to the other members of the Chamber, in which our views are fully expressed in reference to the action of the Committee of the Chamber in the matter of this question. I thought of writing to the Chamber about it shortly after the date of the letter which the Committee sent to Government in reply to the communication from Government of the 7th August; but I abandoned the idea in the belief that the Committee had at all events intended their reply to be as much as possible on the lines laid down at the general meeting held in March last. I believe myself that this was the intention, but if so I do not think it has been very successfully carried out. This, however, was my own opinion merely, and I hesitated to act upon it until I found that it was also the opinion of others. If the Chairman and the Chamber do not object, I would like to read some remarks on the subject by Mr. Donald Graham, who was chairman at that meeting.

The CHAIRMAN said he did not think Mr. Paterson could be allowed to read any remarks.

Mr. PATERSON.—At any rate, I suppose there can be no harm in saying that Mr. Donald Graham entirely agrees with me in thinking that nothing was said or done at that meeting in March which could justify the action of the Committee in sending the letter of the 20th August in reply to the Government letter of the 7th August. In the circular to which I have already referred we have explained our objections to the action of the Committee in regard to this matter. But I think it is due to the Committee and to the other members of this Chamber that we should explain our objections to the letter itself. For the sake of convenience, I have numbered this letter in paragraphs 1, 2, 3, and so on. To paragraphs 1 to 5 we have no objection; the language seems careful and guarded and well adapted to protect the interests of the trade

and I think the sentiments are in accordance with what is generally supposed to be the policy of this Chamber in regard to the position of Government on the foreshore. Paragraph No. 6 is, if anything, a little too cautious. Government proposed that, if the Chamber approved of their amalgamation scheme all the foreshore properties, including the Elphinstone Estate and the Docks, should be separately valued by competent and independent persons. Could anything be more fair and reasonable than that? And yet the Committee say "such a course might subject the trade of the port to the risk of unknown and excessive valuations." That is all very fine, but with the same breath almost they express themselves perfectly willing to throw the trade into the arms of the foreshore proprietors, whose only end and aim is to get as much as they possibly can for their properties. The seventh and eighth paras. we have no objection to. It is para. No. 9 and on to the end of the letter which contains what we think is so much to be regretted. If the letter had ended at para. 8 we should not have objected to it; but certainly we should have objected most strenuously to para. 9 and from that on to the end of the letter if we had seen it. In the first place, Government did not ask the opinion of the Chamber as to whether or not it would be a wise thing in the interests of the trade to purchase these foreshore properties, or as to their value. But in the Committee's letter a recommendation is gratuitously offered that Government should acquire by purchase the absolute ownership of these foreshore properties. I do not know whether this sentiment is in accordance with the views of the Chamber or not. It is certainly one which I do not understand. There is no explanation given beyond this, that "the trade will then know to what extent it is going to be burdened." But I think, gentlemen, the trade would very much rather know that it was not going to be burdened in any such way at all. Supposing, however, that it is the wish of this Chamber that the policy inaugurated by the purchase of the Elphinstone Estate should be carried out to the end, and that every inch of foreshore property in Bombay should be bought up by Government—I should like to know upon what basis the Committee of the Chamber recommended the sums which they say Government ought to pay for these foreshore properties. There is no information given on this point either, beyond that it was reported that the proprietors were willing to accept them, and that "they were not generally con-

sidered excessive." It was no doubt in this happy-go-lucky sort of way that the purchase of the Elphinstone Estate was concluded, as to which every one who was interested in putting that transaction through doubtless assured Government that they were getting a magnificent bargain. The Chamber of Commerce had nothing to do with it, however, and on the strength of that fact many appeals have been made to relieve the trade of the port of the burden of that transaction. In the present instance, however, the Committee of the Chamber has gone out of its way to recommend Government to purchase all the remaining foreshore properties at the prices asked by the proprietors, prices which they say "are not generally considered excessive." But they go on to say that even if they are slightly so (*i.e.* excessive) never mind ; they still recommend Government to pay. Surely, gentlemen, this is a very loose way of doing business, especially when dealing with other people's money. And the only reason given is that it " will put an end to the uncertainty which has so long existed." I do not understand what that uncertainty is ? If it is the uncertainty as to whether or not Government will buy these foreshore properties, then I say the foreshore proprietors are the only sufferers, and I cannot understand why the Chamber should have become so uncommonly anxious to fight their battles. Then as regards the question of the market value of the foreshore properties. No attempt appears to have been made to enlighten either the Government of Bombay or the Government of India as to their value based on the dividends they pay and on the market value of the shares. This certainly is a phase of the question which we should all enter into at once if we were undertaking such a speculation with our own money ; and if it is proper and right as individuals to enter into such matters as dividends and the actual market value of shares, why should these be ignored by the Chamber as a body ? We have very often blamed the Government of Bombay for purchasing the Elpinstone Estate without any apparent reference to its market value ; and now we are recommending Government to do the very same thing again with respect to the remainder of the foreshore properties. I do not pretend to know the financial position of any of these land companies, but I think it is enough to know that some of them have not paid a single rupee of dividend for many years to justify the assertion that if the recommendation of the Committee is carried out, it will be simply transfering the burden of these properties from the shareholders

to the trade generally. The Colaba Company has always paid a divided of some kind. But take even this Company. I was asked by a friend lately to sell one of its shares, and was in this way obliged to some extent to go into the position. It was most curious the way in which the value of these shares fluctuated from day to day on the strength of rumours as to whether or not Government would purchase the foreshore properties. No one seemed to take the intrinsic value of the shares into consideration at all. It was altogether a question if Government would buy the foreshore properties or not. In justice to my friend, however, I endeavoured to find out what the value of his share would be, supposing Government did not buy, and I found it was generally believed that if Government did not buy the property, the value of the shares would immediately fall to Rs. 800 or even to Rs. 750, and from my own knowledge of the way in which the trade on the foreshore is tending, I believe that after a few years of keen competition with the other foreshore proprietors the value would fall still further, probably as low as Rs. 600, or even Rs. 500. But take the value of each share at Rs. 600, multiplied by 4,000 the number of shares in the Company, you have 24 lakhs as the value of the entire property, and yet the proprietors of this company ask 18 lakhs for their foreshore rights and bunders only. If this is so with the Colaba Company, what must it be with the Mazagon and Frere Companies, which are generally supposed to be in a worse case. As to the Sassoon Dock, I know nothing about it. It is a private concern, its cost and revenue being known only to its owners. But I think if all these properties are bought at the prices recommended by the Committee of this Chamber, the proprietors will have cause to congratulate themselves on the excellent bargains they have made. But if this Chamber sanctions any such transactions, it will incur a very grave responsibility, and will hereafter be most justly blamed for injuring, and perhaps ruining, the trade of Bombay, by the enormous increase of charges consequent upon the formation of a huge monopoly on the foreshore for the purpose of squeezing out of the trade a return for these extraordinary foreshore purchases. The Government of India have been very consistent all through even in regard to the purchase of the Elphinstone Estate. They do not pretend to know the circumstances, relying as they do for information on the Government of Bombay. They have always said, "We don't want

to stand in the way of the interests of the trade of Bombay; let us know what you want, but be sure that you know what you want and the value of it, and we will let you have it. But we will make the trade of Bombay responsible for all expenditure sanctioned on its behalf." I hope, therefore, the Chamber will not sanction the letter which the Committee thought it their duty to send to Government.

The CHAIRMAN.—With reference to what Mr. Kittredge said regarding the appendices to the report, I may mention that they are never printed till two months after the meeting. It has never been the custom to print them till two months after the general meeting is held; it is impossible that it can be done.

Mr. KITTREDGE.—You cannot write the report until you have the appendices. I should think the appendices might be printed two months before.

The CHAIRMAN.—However, it is the fact that they never have been printed.

Mr. KITTREDGE said he had merely mentioned the matter incidentally, and not in any spirit of hostile criticism.

Mr. M. MOWAT (Messrs. Ritchie, Steuart and Co.)—When I came into the room I did not intend to speak, but as a member of the late Committee I think I am called on to say a few words in answer to what has fallen from Mr. Kittredge and Mr. Paterson. Nobody would welcome criticism more than the Committee; and we would be very glad if on all occasions criticism were exercised justly, because we desire to see our actions in the true light. But with reference to his letter, I can only say that I think Mr. Kittredge, as a member of the Chamber, might in the first place have informed the Committee of his views. If the Committee were wrong, it would have been but fair to have given them an opportunity of correcting their mistake. We should have welcomed such a course, and should Mr. Kittredge have a similar occasion, I hope he will take the opportunity of addressing us as members of the Committee before letting us see our faults in the newspapers.

Kr. KITTREDGE.—If there is time, I will. But on this occasion there was not time for it.

Mr. MOWAT.—With reference to Mr. Kittredge's letter, Mr. Lang (the Chirman) has very ably answered a great many of the points. This Chamber is recognised as the chief representative mercantile

body in Bombay, and certainly for the nomination of mercantile members no better body could be found. We had no wish to arrogate to ourselves the right to elect European members only; we have every wish to give natives and other merchants the right. But Mr. Kittredge must know that the greater part of the business which is done on account of native firms with Europe is done through European merchants, and that native merchants are influenced by what Europeans do. I think I am right in saying that if there was a vacancy for a native in the present Port Trust, it is very likely that the European mercantile members of the Trust would be consulted; and if the right rested with this Chamber the native community would certainly have a voice in the matter. The next point discussed in Mr. Kittredge's letter is the question of taking back the Elphinstone property. I am glad Mr. Kittredge has admitted that he made an error in writing the paragraph in his letter in question. It would have been well if he had come forward and shown the Committee what his views are, for he seems suddenly to have changed his opinion as to this land estate question.

Mr. KITTREDGE.—No, I have not changed suddenly. I have changed since 1874.

Mr. MOWAT.—You say the land estate now is, and is likely to be, the salvation of the Port Trust. Three years ago you agreed to a resolution which proposed that the land estate should be separated.

Mr. KITTREDGE.—Yes. I thought you said I had changed lately. I change in four years. (Laughter.)

Mr. MOWAT.—I have not perhaps gone into the question so fully as Mr. Kittredge has, but I say the Committee of the Chamber have consistently advocated the views laid down for them from time to time. We have never departed in one single instance from the general principles which have been adopted at general meetings of the Chamber. It may be that we have thrown in views which are called our own, but these views can be deduced from the matter given us to work upon. I hold, and I think the bulk of members of the Chamber will hold also, that it would be desirable to separate the land estate from the wharfage estate, and that the trade should only pay for the rights which it actually enjoys. Further the Committee of the Chamber have consistently advocated a re-valuation of the Elphinstone

property. Government come forward and say they must carry the full debt of the Elphinstone property over to the new Trust. That is what the Committee of the Chamber have consistently gone against. And they further say, if you were buying these properties at the small prices now current, or the small valuations at which you can get them, it would only be an act of justice to put the whole of the properties which are to comprise the enlarged Trust on one footing. I come now to the next point, which has reference to the Mazagon and other properties. I can only say that the Committee in giving their advice as to what the proper values were, did so after careful inquiries which they made; and I think if they had any outside data to go upon, whether in the shape of a private telegram or not, they were right in exercising their judgment upon it. What would be the result if we dealt only with such information as is laid before us? It is our duty to find out what is best for the interests of all, and act upon it. I do not think that 20 lakhs can be considered an excessive valuation of the Mazagon property.

Mr. KITTREDGE.—You recommended 22 lakhs.

Mr. MOWAT.—Very well, 22 lakhs. You cannot look at the question by the light of what dividends the Company has made, and so forth. We must recollect that a great deal of money has been spent on this Mazagon property lately; and the proprietor has attracted a very valuable trade to it. There is a large prospective right there. What shipowner would value his ship according to the dividends that the small returns by way of freight from the Indian ports would give at present? That is only one instance. It is the same with house property in Bombay; everything is depressed. I think we should look to the prospective value of the properties. It is only 14 years since Government for this very Mazagon property got 40 lakhs of rupees, and since then there have been 8 or 10 lakhs spent upon it. Now, with reference to what Mr. Kittredge puts forward as the greatest mistake of all which the Committee made in recommending a certain rate of interest to be paid. True, the native proprietors agreed to accept 4 per cent. in bonds worth perhaps 90 per cent., and at that rate for a property worth say 9 lakhs, a *face* value of, say, 10 lakhs would be required. Indeed, I may add that they would not have been displeased to receive bonds at 3 per cent., but if the selling value of such was 75, for a property worth 9

lakhs in money bonds of the face value of 12 lakhs would be required. The native would fix the value of his property in rupees, and calculate the value of the bonds accordingly. If the amalgamation scheme was adopted, the valuation would be on the amount the property was worth in rupees, say 9 lakhs—drawing my inference from the figures I have adopted above.

Mr. KITTREDGE.—Pardon me, you did not propose a valuation. You said,—accept those sums which the proprietors would take.

Mr. MOWAT.—I am coming to what we did say.

Mr. KITTREDGE.—But you should not go away from it; you should stick to it.

Mr. MOWAT.—I am coming to the subject between us as speedily as possible. The alternative of an amalgamation scheme is provided for in the Committee's letter. The Secretary of State saw very well that he could not get the properties into this amalgamation scheme without a guarantee. Is it fair to suppose that such a guarantee should be fixed at less than the rate at which he was borrowing himself?

Mr. KITTREDGE.—You say yourself the proprietors were willing to take it.

Mr. MOWAT.—They promised to take 4 per cent. for an out and out purchase. I am explaining the difference between an out and out purchase and the amalgamation scheme.

Mr. KITTREDGE.—They were to be paid in both cases on bonds guaranteed by the Government of India; they were precisely similar circumstances.

Mr. MOWAT.—If the Committee have been out at all, it is with reference to these valuations, and as we have submitted, we arrived at our figures after a great deal of care and trouble. They may be challenged, they may be thought unfair here or unfair there; but from the data that we went upon, and from the facts before us, we learned that if these properties were valued, even higher prices might be set down. We then came to the conclusion that in order to settle a matter, which was causing a great deal of anxiety, we should advise this out and out purchase scheme as the preferable one. Gentlemen, it would be wrong to suppose that the Committee want to lay any unnecessary burdens on the trade. If the valuations of the properties on the foreshore are gone into, and the Elphinstone Estate is re-valued as the Committee propose, I believe that the trade will be

able to bear all her burdens, and bear them easily. There will be a great saving in the collection of the revenue by having all the properties under one management. There will also be a saving to a great many merchants who at present find their goods scattered about—some at one bunder, and some at another; for I believe with one management we shall have a bunder for this discription of goods and another for a different description, and so on, and the trade will be saved a great deal of unnecessary trouble such as it has been subjected to for some time back. (Applause.)

The resolution was then put to the vote and carried.

Mr. J. A. FORBES moved.—"That the following gentlemen be appointed the Committee for the ensuing year :—Chairman—Mr. M. Mowat (Messrs. Ritchie, Steuart and Co.); Deputy Chairman—Mr. H. Forman (Messrs. Sir Charles Forbes and Co.); Members of Committee—Mr. F. Mathew (Agent B. B. and C. I. Railway Co.); Captain J. R. Kellock (Superintendent P. and O. Co.); Mr. Edward Comber (Messrs. Lyon and Co.); Mr. F. Vouillon (Manager, Comptoir d'Escompte de Paris); Mr. L. R. W. Forrest (Messrs. Killick, Nixon and Co.)

Mr. BLACKHALL seconded the motion, which was adopted.

THE TONNAGE SCALE.

Mr. L. R. W. FORREST moved—"That the Sub-Committee be authorised to examine and report to the Chamber at a general meeting on the steam tonnage scale, with reference to wheat, oil seeds and oil, as well as to add such articles of export as are not at present included in the list."

Mr. FORREST said that the Bombay tonnage scale was a uniform scale of 16 cwts. to the ton, and it was considered that different rates ought to be applied to wheat, oil seeds, and oil.

Mr. KAPP seconded the resolution, which was carried.

A vote of thanks was passed to the Chairman, and the Meeting dispersed.

ANNUAL REPORT.

Your Committee have now the honour to report to the Members of the Chamber on the principal topics which have engaged their attention during the official year just closed.

TOWN DUTIES LEVIED BY THE BOMBAY MUNICIPALITY.

The introduction of the bill entitled, "A Bill to amend "the Bombay Municipal Act of 1872, and to continue the "same as so amended," into the Council of the Governor of Bombay for making laws and regulations, afforded His Excellency the Governor in Council an opportunity to give legal effect to the principles and rules of municipal taxation enunciated by the Government of India in its Resolutions of November 1868, January 1871, and September 1877, the adoption of which in the municipalities of this Presidency had been so long advocated by the Chamber; and your Committee therefore submitted the whole subject to His Excellency, concluding with a request that the sections in the new Bill, which related to the levying of town duties, and to the refunds of town duties paid, should be made to conform to these Resolutions.

The questions upon which your Committee, in this representation, addressed His Excellency were:—(1) the articles which, under section 114 of the Bombay Municipal Act of 1872, were subject to town duty; and (2) the provisions with respect to refund under section 120 of the same Act.

In regard to articles on which town duties might be levi-

able, your Committee, in accordance with the Chamber's letter to Government, dated 26th October 1875 (See Annual Report of the Chamber for 1874-75, page 415), approved of the rules laid down by the Government of India in its Resolution of November 1868 aforesaid, and which the Governor-General in Council requested should not be deviated from without the previous sanction of the Government of India. These rules were :—

I. That subject to the limitations contained in Rule II., no Town Duty or Cess under any name should be levied by any Municipal body on any commodity not included in the following list, *viz.* :—

(1) Articles of food or drink for men or animals.
(2) Animals for slaughter.
(3) Articles used for fuel, for lighting or for washing.
(4) Articles used in the construction of buildings.
(5) Drugs, gums, spices, and perfumes.
(6) Tobacco.

II. That no such duty should be levied on any of the following articles, *viz.* :—

(1) Articles liable to Customs duty and imported into India by sea.
(2) Salt.
(3) Opium.
(4) Fermented or spiritous liquors manufactured in India, and drugs liable to Excise or Abkaree duty ; and

III. That no such duty should be levied, except on

things brought into a town for actual use or consumption therein.

By the subsequent orders of the Government of India of the 6th January 1871, the following classes of commodities were added to the list of articles subject to the levy of octroi duties :—

(1) Piece goods and other textile fabrics and manufactured articles of clothing and dress.

(2) Metals and articles of metal

subject, however, to this proviso, that the duty on them did not exceed 1½ per cent. *ad valorem*. But in all other respects the rules prescribed in the Resolution of November 1868 were re-affirmed in 1871, and again in the letter addressed by the Government of India to the subordinate Governments in September 1877.

The Select Committee of the Legislative Council appointed to report upon the Bill recommended that metals and jagree should be omitted from the articles on which town duties were levied; the annual revenue derived by the Municipality from these articles was Rs. 37,848, and Rs. 11,000 respectively. Your Committee also urged that the article "timber," upon which a duty at the rate of 2½ per cent. on the market value was levied, should be omitted; the revenue derived from this article was Rs. 41,279. On the other hand, they entirely approved of the proposal to insert "firewood" in the schedule of articles upon which town duties were leviable, and to levy upon it a duty of 2 annas per candy, which, it was estimated, would produce nearly 1 lac of rupees. By the changes thus recommended, there would be a clear gain to the Municipality of about Rs. 10,000 a year. The other articles entered in the schedule were grain of all sorts, ghee, wines and spirits, beer, and sugar including molasses and goor; but, although the three last named

were subject to customs duty, your Committee had no remarks to offer upon them, provided a simple system of refunds, free from all objectionable limitations and restrictions, was established.

The limitations and restrictions with respect to refunds of town duties paid had operated with great hardship and injustice, and numerous complaints respecting them had been made to the Chamber. Under Rule III., in the Resolution of the Government of India of November 1868, it was ordered that no town duty should be leviable except on things brought into a town for actual use and consumption therein, and in para. 4 of the letter of the Government of India of September 1877 (See Annual Report for 1876-77, page 308), no limit of time was fixed within which refunds were to be granted. Your Committee therefore recommended that the provision in the Act, which limited the granting of refunds to articles exported within six months from the date of importation should be repealed, as being an unnecessary hardship to importers; but, if His Excellency considered it desirable that some limit should be fixed, they trusted that the period for the granting of a refund should be extended to at least two years from the date of the importation of the article, which was the period allowed under section 137 of the Consolidated Customs Act, No. VI. of 1863, within which drawback on dutiable goods might be claimed. They also recommended that the limit of refund claimable should be reduced to Rs. 2; further, that a clause should be added to the section in the new Bill relating to refunds to the effect that refunds amounting in all to Rs. 2 or upwards should be claimable on goods, whether of the same or different descriptions exported on the same or on different dates during thirty days from the date of the first exportation, and whether consigned to the same or different persons or places.

The extent to which the system of withholding refunds of town duties paid was carried by the Bombay Municipality might be gathered from Mr. Ryan's report of the 2nd December 1875, in the correspondence appended to the Chambers' representation of the 18th December 1877. In para. 3, he stated that, in his opinion, if the minimum amount of refund claimable were reduced from Rs. 10 to Rs. 4, which the Chamber at that time had recommended, the Municipality would lose more than half of their income from town dues. Now in the Budget of the Town Council, the estimated income from town duties in 1878 was Rs. 5,62,000, and the cost of collection Rs. 28,300, leaving a net income of Rs. 5,33,700, half of which was Rs. 2,66,850.

The Bill, however, passed the Bombay Legislative Council without any of the recommendations of your Committee being adopted, except the comparatively unimportant one that Government should resume the right of sanctioning all rules under which refunds were granted; but the Chamber would be glad to observe that the limit of refund was reduced from Rs. 10 to Rs. 5. Your Committee therefore addressed a memorial to His Excellency the Viceroy and Governor General, forwarding a copy of the representation made to the Government of Bombay, and praying that the sections in the new Bill which related to the levying of town duties, and refunds of town duties paid, should be made to conform to the principles and rules of municipal taxation prescribed by the Government of India in its Resolutions abovementioned, and that the Bill be sent back to the Legislative Council of the Governor of Bombay to be amended accordingly. But the Bill, as it passed the Local Council, was finally sanctioned by His Excellency the Governor General on the 19th June 1878.—(*Appendix* B.)

ON THE SYSTEM OF DISTRICT MUNICIPAL TAXATION IN THIS PRESIDENCY, AND THE EXPEDIENCY OF INTRODUCING INTO THE BOMBAY LEGISLATIVE COUNCIL AN AMENDED DISTRICT MUNICIPAL BILL.

It will be remembered that, on the 26th of October 1875, the Committee, who then held office, addressed the Government of Bombay on the subject of district municipal taxation, and submitted at the same time a statement showing the revenue of a few of the more important of the Mofussil municipalities, the amount of revenue which each derived from town duties, the principal articles of general commerce on which town duties were levied, and the rules and restrictions in respect to the granting of refunds which, in their operation, practically converted the town into transit duties. The Committee concluded their address with a request that the system of taxation in the city and town municipalities of this Presidency should be made to conform to the principles and rules of municipal taxation laid down by the Government of India ; but their request was not complied with ; and another representation on the same subject made to the same Government on the 28th of June 1876, was alike unsuccessful.

The principles and rules of municipal taxation prescribed by the Government of India in its Resolutions of November 1868, and of January 1871, were reaffirmed in a letter addressed by the Government of India to subordinate Governments in September 1877. The subject was discussed at the last Annual General Meeting of the Chamber, and, in consequence of that discussion, your Committee felt it incumbent on them once more to submit the whole subject to Government, which they did on the 14th of March, expressing their hope at the same time that the necessary measures would as soon as practicable be taken

by His Excellency to introduce and establish on an effectual and permanent footing throughout the Presidency the excellent system of municipal taxation laid down by the Government of India.

From the letter of the Government of India to the Government of Bombay, dated Simla, 16th November 1877 (See Annual Report of the Chamber 1876-77, page 317), the Chamber would have learned with much satisfaction that the Government of India, after enquiry into the complaints of the Chamber, considered that municipal taxation in several towns in the Bombay Presidency was not on a sound footing, and that rules with respect to the granting of refunds did exist which justified the objections entertained to them by the Chamber, and that they had issued the following orders :—(1) That, at Kurrachee, arrangements be made to prevent any duty whatever being levied, under the name of octroi or otherwise, on any portion of the grain or any other article exported, and that this order take effect after the 31st December 1877; (2) that, at Broach, the transit duty of six annas on cotton carts, four annas on entry, and two annas on exit, be abolished; (3) that, at Ahmedabad and Surat, the town duties on yarn, which were respectively Rs. 2 and Re. 1 per Indian maund, on yarn other than hand-spun, and Rs. 2-8 and Rs. 1-4 on dyed yarn, be discontinued altogether.

These, however, were only a few of the more conspicuous instances pointed out by the Chamber of duties, under the name of octroi, levied contrary to the acknowledged principles. Such duties were levied on almost every article which, whether intended for consumption or sale, or for transmission to other places, entered the limits of nearly every city and town municipality throughout the Presidency. With the exception of piece-goods and metals, and of those articles specified in Rule II of the Resolution of

November 1868, it was ordered that all articles which had borne customs duty should be exempt from municipal taxation, but these articles were, in common with all others, again systematically subjected to local taxation on entering a district municipality, in total disregard of the orders of the Government of India. It is, your Committee believe, universally accepted that the great principles of an octroi duty are that it should be small, and that it should never be allowed to operate as a transit duty. Yet in many instances, whether the articles had already borne customs duty or not, the taxes levied, under the name of octroi, by district municipalities, were excessive, while the refusal to grant refunds, when the articles were re-exported, or the limitations or restrictions imposed on the granting of refunds, had the effect of converting the town duties paid into transit duties. Numerous illustrations were given by your Committee of duties which were much too high, and of the rules relating to refunds adopted by many of the municipalities, some of these allowing no refunds whatever, while the rules adopted by others were either so illiberal or so stringent as to render it almost impossible to obtain a refund.

In para. 14 of the letter of the Government of India to the Government of Bombay, dated Simla, 16th November 1877, His Excellency the Governor-General in Council desired that if under any existing law there was legal difficulty in carrying out the orders of the Government of India, the necessary steps for amending such law should be promptly taken by His Excellency the Governor of Bombay. It appeared to your Committee that the only effectual way of carrying out these orders, and of putting a stop to the present objectionable system of raising municipal revenue in the cities and towns of this Presidency, was to introduce an amended District Municipal Bill, in which

the discretionary powers vested in the municipalities of levying taxes on any article, and of passing rules imposing restrictions on the granting of refunds, should be abolished, and a list of the articles on which town duties might be leviable, and the rules relating to the granting and limitation of refunds, inserted. A suggestion to this effect made by Mr. Bythell was favourably received by the Chamber, in general meeting assembled, on the 5th of January 1875.

Your Committee therefore prayed that His Excellency would take measures to introduce on an early day into the Legislative Council of the Governor such a Bill, from which paragraph (*e*) of clause 2, of section 14, of the present Act No. VI. of 1873, which related to the preparation of rules regarding the taxes, tolls, or other imposts to be levied, together with the times and mode of collection of the same, and section 21, which related to the imposition of taxes, tolls, or other imposts, would be omitted, and sections to the following effect inserted in the Bill :—

I. Duties at the rates specified in the Schedule A annexed to this Act shall be leviable in respect of the several articles therein mentioned when imported from any place into any municipality constituted under this Act.

The said duties shall be called town duties, and it shall not be lawful for any city or town municipality to farm such duties, or to levy town duties in excess of the rates so fixed, or to impose the same in respect of any other articles than those liable to town duties under this Act.

II. It shall not be lawful for any city or town municipality to levy any duty, tax, toll, or other impost, or any other article imported into a municipality, or on any article exported therefrom.

III. The said town duties shall be payable on demand, and shall be levied and collected by, and under the management of, the municipality. Provided that it shall be lawful for a municipality, with the sanction of the Governor-in-Council, to make such arrangements as in their discretion they may deem fit with any Railway Company for the levy and collection of town duties under this Act.

IV. (*a*). When any of the articles upon which town duties shall have been paid shall be exported, the full amount of town duties shall under such rules as the municipality—with the sanction of the Governor in Council, notified in the *Bombay Government Gazette* one month previously to the same being enforced —be repaid as refund, provided that the articles be exported within two years from the date of importation, and that application for such refund be made within one month from the date of exportation; and provided also that refunds, except on goods brought into a municipality for transmission to other places, shall not be claimable of less amount than two rupees as next herein provided.

(*b*.) The full amount of Town Duty paid on an article brought into a municipality for transmission to other places shall, on the exportation of the article, be refunded. On articles brought into a municipality for consumption or sale, and subsequently exported, refunds amounting in all to rupees two or upwards shall be claimable on goods, whether of the same or different descriptions, exported on the same date, or on different dates during thirty days, from the

date of the first exportation, and whether consigned to the same or different persons or places.

(c.) A claim to refund shall not be affected by reason of the goods having changed owners since they were imported into the municipality, nor by reason of the goods having broken bulk and a part having been sold, in which case refund shall be claimable in respect of the remaining part on exportation. Nor shall it be necessary to establish the identity of the goods with those which have paid town duty whether the goods have, or have not, broken bulk, nor to produce any other than reasonable proofs to satisfy the municipality that the articles have paid town duty and are entitled under the provisions of this Act to refund on exportation.

V. Tables of the town duties leviable under this Act, and copies of any rule in force relating to the granting of refunds, shall be printed in English and in the Vernacular languages of the district, and shall be kept hung up in a conspicuous position at the Railway Stations or other places where the town duties are collected by the municipality.

In conclusion, your Committee expressed the gratitude with which the Chamber had received the letter addressed by the Government of India to subordinate Governments in September 1877, and the letter addressed by the Government of India to the Government of Bombay, dated Simla 16th November 1877, above referred to, and respectfully requested that His Excellency would be so good as to favour the Chamber by transmitting copies of this letter and its

accompaniments to His Excellency the Governor-General in Council for his information.

On the 25th of March, His Excellency the Governor in Council was so good as to acknowledge the receipt of this representation, and to state that the subject was under the consideration of Government (*Appendix* C.)

NEW CONSOLIDATED CUSTOMS BILL.

The Honourable Mr. T. C. Hope visited Bombay in November last for the purpose of conferring with the Customs authorities, and with the Chamber, about the Sea Customs Bill, which was then before the Council of the Governor General, and of which Mr. Hope had charge. A conference accordingly took place in the rooms of the Chamber, on the 9th of that month, when the following gentlemen were present to meet Mr. Hope, Mr. Walter Lang, Chairman of the Chamber, Messrs. Donald Graham, Hamilton Maxwell, G. A. Ketteridge, C. F. Meilli, C. Macdonald, J. L. Symons, F. D. Parker, and the Secretary. All the provisions of the Bill were carefully considered, and the several alterations and amendments, which were suggested by the members present, were taken note of by Mr. Hope, and will be found in the appendix.—(*Appendix* D.)

IMPORTATIONS OF TIMBER FROM BURMAH FOR SALE IN BOMBAY ON ACCOUNT OF GOVERNMENT.

Towards the close of the year 1875, it came to the knowledge of your Committee that the Government of India had imported from Moulmein 560 tons of Teak timber, and that the same had been placed in the hands of a firm for sale in this market. The immediate effect of this importation, and of the rumours which were at the same

time current that Government intended sending further shipments to Bombay for sale, was a fall in the market price of timber of Rs. 10 to Rs. 20 per ton; and so long as the uncertainty as to the intentions of Government lasted, the disturbance in the market would continue. Your Committee protested against the action of Government in interfering with the timber trade between Burmah and Bombay, as the competition of Government with private traders was certain to result in great injury to the trade; and they suggested that Government should adhere to a definite policy, and that all future sales should either be made in Moulmein, or if it was deemed advisable to export, that it should, in this as in similar cases, notify the quantities and descriptions expected, and advertise them for sale by public auction at stated times.—(*Appendix* E.)

THE NEGOTIABLE INSTRUMENTS BILL.

On the 5th of November last, the Government of Bombay forwarded to the Chamber a copy of a letter from the Government of India No. 824, dated the 18th of October, together with a copy of "The Negotiable Instruments Bill," and of the preliminary Report of the Select Committee thereon, and requested that Government might be favoured with the opinion of the Chamber on the provisions of the Bill. The Bill was referred to the consideration of a Special Committee consisting of Mr. W. Lang, Chairman of the Chamber, Mr. Mackintosh Balfour, Mr. W. A. Baker, Mr. H. W. Jones, and Mr. M. Mowat, Deputy Chairman of the Chamber, and the Report of the Special Committee, which will be found in the appendix, was adopted, and forwarded to Government.

The Council of the Governor General, after receiving the opinion of the Chamber and of other bodies to whom the Bill had been referred, again submitted it

to the consideration of the Select Committee, who in a great measure rearranged the sections of the Bill, and introduced several important changes, and the Bill so altered came before the Legislative Council of the Governor-General, on the 20th June 1878 last, when the Bill was in its third stage.

The Council ordered that the Bill, and the second Report of the Select Committee thereon, should be sent to the several Local Governments for their respective opinions, and the Bill and the Report were forwarded by the Government of Bombay to the Chamber for report. The Bill and the Report were referred by the Chamber to the same Special Committee who had considered the Bill in its first stage (with the exception of Mr. Jones whose absence from Bombay prevented him from serving on the Committee, and whose place was filled by Mr. Blackhall); and the second Report of the Special Committee, which will be found in the appendix, was adopted and forwarded to Government.—(*Appendix* F.)

THE G. I. P. RAILWAY COMPANY'S GOODS TRAFFIC,—INSUFFICIENCY OF ROLLING STOCK.

In the month of February last, complaints were made to the Chamber that large quantities of cotton, grain, and seeds were lying at and outside the stations on the line, and could not be forwarded for want of rolling stock. Merchants were, in consequence, prevented from fulfilling their contracts, and their operations were totally disconcerted by the excessive delay which occurred in the despatch of produce from stations in Berar and Khandeish, and it was reported that, at Oomrawuttee, the gates of the station had actually been closed for a time and not a bale of cotton received. At Nagpore, large quantities of grain had been lying for months, and, at Hurdah

alone, about 40,000 bags of grain—most of it lying there for a considerable time—were awaiting transport, the means of which did not appear to be available. Such a state of things occurring at the height of the season could not but be most disastrous to the trade.

On receiving these complaints, your Committee wrote to the General Traffic Manager, urging that no endeavours should be spared to move away the produce which had been delayed, and was accumulating, at many of the stations to the serious injury of the merchants interested. They also addressed a remonstrance to Government in which they pointed out that this continued failure of the Railway Company to keep pace with the export trade of the Presidency was no less injurious to mercantile interests than it would be eventually to the imperial revenue and the prosperity of the country; and they expressed their hope that measures would be at once adopted to remove the cause of complaints which merchants had had too just reason to make during the preceding 12 months against the inefficiency of the Company, whatever might be the cause to which that inefficiency was then attributable. On this remonstrance, the Government of Bombay passed a Resolution No. 427, dated 1st March 1878, announcing that Government had supported the recent application of the Railway Company to augment their wagon stock by the addition of 1,000 ten-ton covered wagons, that these wagons could not, however, be on the rails for some months, but in the meantime the Agent was endeavouring to supplement the existing wagon stock by hiring from other companies, and that the question of improving the working of the stock so as to obtain better results from it was engaging special attention; further that should the Agent be of opinion that further and immediate measures were necessary, he should take prompt action. Your Committee could form no

idea whether this addition would be sufficient for the requirements of the largely increasing traffic from the producing districts to the Port, but they submitted that the public interests demanded that the G. I. P. Railway Company's stock of engines and of wagons should not only be at all times sufficient for the probable requirements of their increasing ordinary traffic, but that the Company should also be required to provide an additional stock to be held in reserve for the recurrence of famine, or for other exigencies. Besides the deficiency of rolling stock, another obstacle to the working of the traffic had been the great want of sidings or crossing places at suitable distances, and the consequent impediment to the rapid conveyance of produce over single lines of railway. His Excellency the Governor in Council observed that although the Railway Company was not doing all that could be wished under a great and sudden development of traffic, still it was doing much more than it had ever done of late years, and very much more than it was doing two years previously; that, with reference to the remark that the Committee would form no idea whether the 1,000 ten-ton wagons would be sufficient for the requirements of the largely increasing traffic, he was in hopes that the Chamber might have been able to offer the Railway Company and Government a reliable forecast of the future traffic, which would have proved a guide to the number of engines, and rolling stock, which should be prepared, and that he would be glad of any information which the Chamber might at any time be able to offer on the subject; that with regard to the suggestion that the Railway Companies ought, in addition to sufficient stock for ordinary work, to provide a reserve to meet any famine traffic which might arise, His Excellency saw much force in the suggestion, but it was probable that the Companies would demur to undertaking such a scheme; if it should have to be undertaken by Government, then some con-

sideration would be needed on financial grounds, and although His Excellency would represent the matter in the proper quarter, he was unable to say whether such a plan was feasible; that with regard to the subject of crossing stations, His Excellency observed that, during the year 1877, 34 crossing and signalling stations had been opened and that 10 more were in hand; and, if the Chamber thought that more were still required, they were requested to favour Government with particulars as to the points or places where such requirements were believed to exist.

Your Committee, in reply to these observations, reminded His Excellency that this great development of traffic began in the year 1875-76, and that it was the result of a bountiful harvest, the export of which was in a great measure stimulated by the reduction, in September 1875, of the G. I. P. Railway Company's rates for the carriage of grain and seeds. The total export from Bombay, in the year ending 31st March 1876, of wheat, and of linseed, rapeseed, and gingelly seed was 3,805,059 cwt. against 1,694,436 cwt. in the preceding year, and it was worthy of note that, notwithstanding the subsequent years of scarcity the great development of traffic which began in 1876 had been maintained. The total export of wheat and seed, in 1877, was 3,887,442 cwt. and, in 1878, 4,288,268 cwt. If the last two years had been years of ordinary abundance, it was reasonable to suppose that the export trade in those years would have assumed very much large proportions, as it was likely to do next year if the crops were good.

The question of the probable continuance of this development of production in the Central Provinces was naturally a source of much anxiety to those who were responsible for duly providing for the requirements of the traffic of the Railway; but, it should be remembered that, while the demand in Europe for wheat and seeds showed no symptoms

of falling off, the capabilities of the producing districts were still far from being exhausted. Nor had the increase in exports been confined to the Bombay Presidency. It had been equally great from all parts of British India; and the through traffic from the northern lines which had not been so brisk in the year 1878, because of the scarcity and short crops in the North-West, might now be looked upon as a yearly increasing item of traffic in years of ordinary crops in the north of India.

These considerations induced your Committee to think that an addition of 1,000 ten-ton wagons would not be sufficient for the requirements of the largely increasing traffic of the line. In the Railway Company's statement of engine and rolling stock for the half year ending 31st December 1877, it appeared that the total number of goods engines authorized was 276, while the total stock on the list was 200; and that the total wagon stock authorized was 9,876 goods vehicles, while the total stock on the list was 6,679 only, showing a deficiency in the actual stock, compared with that authorized, of 76 goods engines, and of 2,197 goods vehicles. Your Committee had no information as to the basis on which the calculation of the authorized engine and wagon stock was arrived at, but the numbers seemed to them to represent pretty fairly what the engine and wagon stock of the Company should be; and they considered that the failure of the G. I. P. Railway Company, until very recently, to deal with their ordinary traffic, without very serious delays, justified them in urging His Excellency to insist upon the Railway Company completing, within the earliest practicable period of time, their engine and wagon stock up to their authorized limits.

With regard to the suggested augmentation of engine and rolling stock, and to the reserve stock that might

be provided to meet any traffic which might arise the cost would be a very small item of expenditure when compared with the capital of a Company like the G. I. P. Railway Company ; but if the Railway Company demurred to undertaking to provide a reserve stock of engines and wagons to meet any famine traffic that might arise, your Committee were gratified to learn that His Excellency intended nevertheless urging the scheme upon the Government of India. That Government had already recognized the necessity of imposing new taxes in order to create an insurance fund for the relief of famines. It had been clearly shown that the present engine and rolling stock on all the railways in India was insufficient to meet the pressure experienced last year; and it appeared to your Committee that, in providing for the relief of future famines, money could not be spent in a more profitable or beneficial way than by increasing the carrying power of the railways.

Your Committee were not in a position to say if more crossing and signalling stations than those opened in 1877, and those in band, were still required, or to indicate the points or places where such requirements might exist; information on these points could, they believed, only be supplied by persons conversant with the detailed working of the traffic. But, after the experience of the last 16 months, your Committee begged most earnestly to urge upon His Excellency the necessity which existed for doubling the line from Bhosawul to Jubbulpore, on the main line, and from Bhosawul to Nagpore, on the line through the Central Provinces. If these entire lengths could not be at present undertaken, then they hoped that His Excellency would at least press upon the Company the extreme importance of doubling the main line as far as Khundwa, and the Nagpore branch as far as Budnaira, from which portion of it the greater part of the traffic of the Nagpore Branch came.

His Excellency in acknowledging the receipt of this communication was so good as to state that he had directed a copy of it to be sent to the Agent of the G. I. P. Railway Company, who had been requested to give his early attention to the question of doubling the lines of railway beyond Bhosawul, and of augmenting, if necessary, the engine and vehicle stock,—further that the important question of providing a reserve stock of engines and wagons, to meet sudden and unexpected demands arising from famine or other causes, was engaging the attention of Government.—(*Appendix* G.)

SUGGESTIONS BY THE DEPUTY CONSERVATOR AND MASTER ATTENDANT OF THE PORT FOR ENSURING A UNIFORM SYSTEM OF EXHIBITING LIGHTS ON NATIVE CRAFT, AND A BETTER ACQUAINTANCE ON THE PART OF PERSONS IN CHARGE OF SUCH VESSELS WITH THE RULES OF THE ROAD AT SEA, &c.

The Chamber has been favoured by Government with copies of the Reports No. 723, dated 30th June 1877, and No. 1,037, dated 29th August 1877, of the Deputy Conservator and Master Attendant of the Port, containing valuable suggestions with the above objects. Your Committee believe that if the system recommended by Captain Morland were adopted, it would tend to lessen the number of accidents and casualties which now occur between steamers or sailing vessels and native craft.—(*Appendix* H.)

CONTROL EXERCISED BY GOVERNMENT OVER THE EASTERN TELEGRAPH COMPANY, LIMITED.

Last year, your Committee, who then held office, re-

presented to Government that it would conduce very greatly to the public advantage if the Eastern Telegraph Company were permitted to deliver their own telegrams, and to have a separate office, or a separate counter in the Government Office, at which they would receive messages direct from the public without the intervention of the Government Department. The Government of India declined to comply with this request; but it was at the same time stated that, if the Chamber would specifically state in what way the existing procedure of the Telegraph Department was unsatisfactory to the public, an endeavour would be made to meet their wishes so far as was consistent with International Rules and the obligations of the Convention. A letter containing specific complaints was accordingly submitted, but the Government of India simply took advantage of the specific instances adduced to explain them away, and to ignore the main point of the whole question, which was the separation of the Eastern Telegraph Company's office from the Government Department.

Your Committee in resuming the correspondence availed themselves of the opportunity also to submit that most public inconvenience was occasioned by the refusal of the Government Telegraph Department to receive, unless at extra charge, messages in words which were composed of what might be considered fair words, and which were received and passed by all the telegraph offices in England. If the public in India were not to be permitted to benefit by the advantages which resulted from the competition in telegraphy enjoyed in England, your Committee urged that the Government of India should exercise its control over the Eastern Telegraph in a liberal manner.

One of the reasons assigned by the Government of India for its inability to comply with the request of the

Chamber was that the Government of Bombay had expressed no opinon upon it ; but His Excellency in Council, in again drawing the attention of the Government of India to your Committee's representation, was so good as to recommend that the wishes of the Chamber should be complied with, if the Government of India saw no objection to the arrangement. But the Governor General in Council again declined to comply with the Chamber's request that the Eastern Telegraph Company should be permitted to have a separate office or counter, as the Government of India would not then be in a position to fulfil the treaty obligations imposed on it by the Telegraph Convention.—(*Appendix* I.)

LIGHTHOUSE ON CAPE GUARDAFUI.

Our predecessors in office submitted, for the consideration of the Elder Brethren of Trinity House, the great necessity which existed for a Light being placed on, or in the neighbourhood of, Cape Guardafui, with an earnest expression of the Chamber's hope that, as the number of vessels which passed that Cape was annually increasing, and the probabilities of accident therefore augmented, the Elder Brethren would urge, in the proper quarter, the immediate erection of such a Light. The Corporation, in acknowledging the receipt of this letter, remarked that the Secretary of State for India had, in forwarding the letter to that body, been good enough to have it accompanied by papers from the Aden Residency on the same subject, especially suggesting the ad interim use of Automatic Signal Buoys ; and further that the Board had had before it a proposal to place a Light Vessel at the Station until the Lighthouse could be erected.

Before considering these various suggestions, it seemed to the Elder Brethren very desirable to obtain the opinion of

practical navigators to whom, from frequently passing it, the locality was familiar ; and by the courtesy of the Directors and Officers of the Peninsular and Oriental Steam Navigation Company, the Shipmasters' Society, and other public bodies, they had received very valuable information. They gathered from these various reports, and from the wreck returns, that during the S. W. Monsoon there was a great deal of thick weather, and confused current, along the African seaboard ; and that considerable risk was run in borrowing on to it at such times until the exact position was determined. It seemed, therefore, to the Elder Brethren that in a locality, tempestuous during a considerable portion of the year, and four hundred miles from a relieving station, in case of casualty either to the moorings of the ship or the lighting apparatus, the light vessel form of seamark, which had at best only a low power and limited range, would be attended by too much uncertainty, and that the best arrangement would be an efficient Light on Guardafui.

The Elder Brethren were not in a position to judge how soon or how securely it was probable that such a Light could be placed, but it appeared that the Board of Trade were taking considerable trouble to promote its establishment, and it did not seem to the Elder Brethren that the cost of it need involve any very large addition to the tolls of the Red Sea Lights.

Several other papers on the subject, which had passed between the Board of Trade, the Foreign Office, and the India Office, were subsequently forwarded to the Chamber. These papers concluded with a letter from the Board of Trade to the Under Secretary of State for India, dated 22nd December 1877, in which it was stated that that Department had received through the Foreign Office a further despatch from Her Majesty's Agent and Consul General in Egypt, in which he stated that, in the face of present Eastern

embarrassments, he would hesitate to urge the Egyptian Government to undertake an expensive work, and suggested the postponement of the proposal till a more favourable time.—(*Appendix* J.)

THE OVERLAND MAIL CONTRACT.

As there appeared to be some difference of opinion as to the conditions of the new contract, which our predecessors in office had suggested should be urged on H. M.'s Postmaster General, your Committee decided to call a public meeting of the inhabitants of this city to take an expression of opinion as to the amended terms which, with the great improvements in steam navigation, and the development of steam shipping since the opening of the Suez Canal, India, which contributed so largely to the subsidy, was entitled to obtain in the new contract. Accordingly a public meeting, convened by the Sheriff, was held in the Town Hall, on the 1st of March last, when a memorial containing the views of the inhabitants was unanimously adopted. The main point of difference between the views expressed by the Chamber last year and those of the public meeting was, that while the Chamber was of opinion that the stipulated rate of speed at which the mail steamers should be run between Brindisi and Alexandria should be not less than 15 knots an hour, and between Suez and Bombay 13 knots an hour, the public meeting considered that the service between London and Bombay, via Brindisi, should be performed in 16 days, one day additional time being allowed for the passage from Bombay to Aden during the three months of the S. W Monsoon. The memorial was forwarded to the Postmaster General, who, in acknowledging the receipt of it, stated that the suggestions of the memorialists would receive due consideration.

Advertisements appeared in the English newspapers of

the 28th of June inviting tenders for the new Indian Mail Service to commence from the 1st of February 1880. The changes made in the service were important, both the Southampton and Calcutta service being abandoned, as the public meeting had suggested. The tender of the Peninsular and Oriental Company for the entire mail contract for India and China was accepted, the period of the contract being eight years from the 1st February 1880, and the speed to be given 11 knots from Brindisi to Bombay, via Suez Canal, and 10½ knots between Suez and Shanghai.—(*Appendix* K.)

BILL MAKING SILVER DOLLARS LEGAL TENDER IN THE UNITED STATES.

A report having reached Bombay that the Bill had passed the Senate making silver dollars legal tender, your Committee, considering that if this Bill were passed it would probably have an important effect on sterling exchange in India, despatched a telegram to the Board of Trade, New York, enquiring if the President would veto the Bill, to which the Board replied that it was generally believed he would do so. Intelligence was afterwards received that the President had vetoed the Bill, but that, on its again coming before the Senate, the Bill was passed by the requisite majority and became law.

THE LICENSE TAX.

On December 27th 1877, Sir John Strachey, the Finance Minister of the Government of India, at a meeting of the Viceroy's Legislative Council, made a statement declaring the necessity of creating a permanent National Insurance Fund for the prevention or mitigation of famines in India, and announced that, as the ordinary revenue barely covered the ordinary expenditure, the Government of India had no alternative but to impose fresh taxation in order to pro-

vide the means of meeting this famine charge, which had been fixed at £1,500,000 a year. In pursuance of this policy, the duty levied on salt in the Presidency of Bombay had been raised from Rs. 1-13 to Rs. 2-8 a maund, and a Bill had been passed by the local Legislative Council requiring all persons carrying on trades, dealings, or industries of any kind whatever, in the Presidency of Bombay, to pay fees varying in amount from Rs. 2 to Rs. 200 for licenses entitling them to carry on their business.

The Bill passed in Bombay was not only faulty in details but odious in principle. It struck too low, for all persons engaged in trade were made liable to it. But the feature of the tax which was specially obnoxious was the exemption from its operation of all persons who had fixed incomes, and of the professional classes including barristers, solicitors, and doctors.

Several of the more prominent citizens were invited to meet in the rooms of the Chamber, and it was decided that the best course would be to call a public meeting of the inhabitants of Bombay to protest against the Trades License Tax. A public meeting, convened by the Sheriff, was accordingly held on the 19th of February last, in Wilson's Great World Circus, Esplanade (the Government refused to allow the Town Hall to be used for the discussion of the question) : it was estimated that about 5,000 persons were present; and the petition to the House of Commons, which was proposed to the meeting for adoption, was accepted with enthusiasm. The proceedings of the meeting, including the petition to the House of Commons, will be found in the appendix.

Memorials protesting against the License Tax were also submitted to the authorities by other public bodies. The Bombay Trades Association presented a petition to His Excellency the Governor of Bombay in Council ; and the

Bengal and Madras Chambers of Commerce addressed memorials to H. M.'s Secretary of State for India.

Subsequently great indignation was felt by merchants at what might be considered the improper application of the Act, such as the levying of the tax from more than one partner in a firm, and it appeared to your Committee that all the members of the Chamber should be invited to join in an organization to resist it, and this invitation was pretty generally responded to. Opinions of counsel were taken on this and other points; but the points principally objected to were conceded by Government, and there was then no need of any further resistance.—(*Appendix* L.)

THE PORT TRUST.

The accounts for the year ending 31st March 1878, show the revenue to have amounted to Rs. 17,20,882-15-2, and the expenditure on revenue account (including Rs. 8,55,281-11-2 for interest payable to Government) to have been Rs. 1,619,776-6-3, leaving a surplus of Rs. 101,106-8-11, which has been paid to the Government of India in part liquidation of the capital debt. The causes of this great difference between the actual receipts and the Budget Estimates are explained in the Administration Report to 31st March 1878, which will be found in the appendix.

The ascertained deficits on previous Revenue Accounts were as follows :—

From 26 June 1873 to 31 March 1874	Rs.	1,64,861	7	3
From 1 April 1874 to 31 March 1875	„	91,080	13	6
From 1 April 1875 to 31 March 1876	„	36,455	9	0
From 1 April 1876 to 31 March 1877	„	102,322	11	5
Total deficits	Rs.	3,94,720	9	2
Deduct surplus for the year ending 31 March 1878.	„	1,01,106	8	11
Balance	Rs.	2,93,614	0	3

being the loss in working the Port Trust from its commencement until 31st March 1878.

The Chairman's Budget Estimate of expenditure and income on Revenue Account in the year to 31st March 1879, (in which the deficit for the year is estimated at Rs. 31,975-0-0,) will be found in the appendix.—(*Appendix* L*A*.)

THE DEFICITS IN THE REVENUES OF THE PORT TRUST.

It would be observed, from the last Annual Report, page 425, that a letter was despatched to the Government of India, in accordance with the Resolution passed by the Chamber on this subject at the General Meeting held on the 24th of July 1877. To that letter a reply was received on the 4th of March 1878, stating that the expression of the views of the Chamber had been laid before His Excellency the Viceroy in Council; that the financial arrangements of the Bombay Port Trust were under the careful consideration of the Governments of India and Bombay; and that when any decision had been arrived at early intimation would be given to the Chamber.

NEGOTIATIONS BY GOVERNMENT TO ACQUIRE THE REMAINING FORESHORE PROPERTIES.

A day or two after the letter of the 4th of March 1878, referred to under the preceding heading, was received, negotiations were entered into by Government for the purchase of the remaining foreshore properties in the harbour of Bombay. A General Meeting of the Chamber was held on the 22nd of March 1877 to discuss this question. At this Meeting the following Resolutions were passed :—

That this Chamber believes that the negotiations which have been entered into by Government to acquire the Bombay foreshore properties can be so arranged as to prove conducive to the good of the trade of the port, but as this will depend on the form given to the new Trust and the amount of its capital liability the Chamber trusts that it will be consulted on the subject before anything is decided as to the constitution of the Board and the re-adjustment of the debt of the Trust.

That if the sanction of the Government of India to the proposed purchase of the foreshore properties has been given subject to the local Government undertaking that the trade of the port shall accept any such re-adjustment of debt or further liability to pay interest, then the Chamber respectfully claims a right to be consulted before the purchase is completed.

That the Committee of the Chamber be instructed to send in a respectful memorial, embodying the foregoing resolutions, to the local Government, with a request that a copy thereof be sent forthwith to the Government of India.

A memorial, in accordance with these resolutions, and with the views of the Chamber, was sent to Government on the 10th of April last, to which His Excellency replied

that, as soon as the purchase in question was completed, the Government of India would be consulted on the points raised in the Chamber's letter, and that the views of the Chamber would doubtless be taken before the matter was finally arranged.—(*Appendix* **M.**)

PROPOSAL TO FORM A TRUST IN BOMBAY SIMILAR TO THAT REGULATING THE MERSEY DOCKS.

On the 7th of August last, the Government of Bombay requested the opinion of the Chamber on the following proposal to form a Trust in Bombay something similar to that regulating the Mersey Docks :—

The whole of the foreshore properties including the Elphinstone Estate and Docks would be separately valued by competent and independent persons, and would be merged by consent of the owners, or if necessary by compulsory purchase, in the usual manner, into a single Trust. Bonds representing the value of the respective properties would be offered to each owner. The management of the whole would be placed in the hands of a single Board of Trustees, of whom (say) one-third might be elected by the bondholders, the Government exercising a voting power proportionate to the valuation of its share of the property ; one-third by the merchants of Bombay who paid wharfage and dock dues to a certain amount ; and the remaining third would be nominated by the Government of Bombay as representing the general public ; and the whole Board would be presided over by a Chairman to be a paid and permanent officer, specially selected and appointed by Government. From the net income of the Trust a percentage of interest would be half-yearly declared on the bonds by the Board.

This outline of the scheme left much to be conjectured, and information on several important points would be necessary before the Chamber could give a decided opinion upon it. It was not, for instance, stated whether Govern-

ment intended guaranteeing any rate of dividend to the bondholders, and on this point your Committee observed that, if there was no such intention, it was improbable that any of the private foreshore owners would agree to join in the proposed Trust. Neither was it apparent whether it was intended that the Land Estates of the several interests should be merged in the Trust, or only Docks and Bunders, with sufficient land for the accommodation of the traffic. The Chamber would protest against any of the Land Estates belonging to the Port Trust, or the private companies, which could not possibly be required for the working of the bunder traffic, being included in the proposed scheme.

The points in this scheme which were deserving of most careful consideration were, it seemed to your Committee—(1) a fair valuation of the properties to be taken over, and (2) an adequate representation of the mercantile community on the Board of Trustees.

Your Committee also considered the constitution of the Board of Trustees, as proposed in the letter under acknowledgment, to be objectionable. Considering that the value of the Government property would be very much greater than that of all the private amalgamated properties, Goverment would, by the proposed plan, have a prepondering voice in the management of the Trust. If it were assumed that Government intended guaranteeing a certain rate of dividend to the bondholders—and on no other supposition was the proposal of Government practicable—then your Committee respectfully submitted that it was unnecessary and undesirable that the bondholders should be represented on the Board of Trustees. The bonds being negotiable in the market, would doubtless for the most part soon pass into the hands of persons, who had no interest in the new Trust besides the regular payment of the guaranteed interest. The only interests which were entitled to be represented on the Board, were, it seemed to your Committee, the Government which guaranteed the interest, and the mercantile community

which contributed the revenue out of which the interest was paid. Your Committee therefore recommended that the representation on the Board should be confined to these two interests only; that at least one-half of the Board should consist of mercantile members; and that the mercantile members should be elected by the Chamber.

It seemed to your Committee that the objections entertained by it to the uncertain and precarious valuations proposed, and to the constitution of the Board of Management, would in a great measure be obviated if Government reverted to its original intention of acquiring by purchase the absolute ownership of the private foreshore properties, for the trade would then to a considerable extent know what burdens it would have to meet, and the question of valuation—if a valuation were necessary—would be confined to the Government property which, however, it was presumed, would be made over to the new Trust at a valuation probably much under, but in no case exceeding, its actual cost, after deducting the proportion of the Land Estate in the Elphinstone purchase. It was reported that the various private foreshore owners had intimated to Government their willingness to sell to Government their respective properties, or the portions of their respective properties which Government desired to purchase, on the following terms :—

	Lakhs.
The Sassoon Dock	20
The New Colaba Company's property, Government remitting certain annual ground rent	18
The Appollo Press Company's property	4¼
The New Mazagon Company's property, Government remitting the annual rental	22
The foreshore portion of the Frere Land and Reclamation Company's property, including wharves, canals, &c., and portion of land	10

These valuations were not generally considered as excessive, and, even if they were slightly so, it would appear preferable to accept the offers, if, as was reported, they had been made, and thus put an end to the uncertainty which had long existed.

An advantage which would result from the purchase of these properties would be that the bondholders could have no claim to be represented on the Board of Trustees.

If, however, Government determined that the scheme now contemplated of merging all the foreshore properties into a single Trust be carried out, your Committee in this case also suggested that the above-mentioned valuations of the private foreshore owners for their respective properties, or the portions of their respective properties which Government proposed to purchase, should be accepted; that interest thereon at 4½ per cent. per annum, being the rate at which the imperial Government had recently been, and was still borrowing, be guaranteed to the bondholders by the Secretary of State for India in Council; and that all the net earnings above the amount required for the payment of the guaranteed interest be applied to the reduction of rates.

Your Committee considered that, in the event of the scheme on the basis of the Mersey Dock Scheme being adopted, it would be preferable that a maximum rate of 4½ per cent. interest should be given, instead of, what they understood was the intention of the Secretary of State, a guaranteed minimum rate of 4 per cent. rising to 6 per cent. if the profits of the Trust permitted (*vide* para. 10 of the letter of the Government of India to the Government of Bombay No. 516, dated 8th October 1878); for, if this intention were carried out, the bondholders, whose interests would naturally induce them always to favour high rates being levied on the trade, would be entitled to be represented on the Board.

In the recent Resolution of the Government of Bombay No. 891, dated 21st October 1878, it would appear that Government show a decided preference for an out and out purchase, as recommended by your Committee, instead of a scheme based on the plan of the Mersey Trust; but they have made no reference to the view expressed by the Chamber that the value of the Land Estate of the Elphinstone property should be separated from the capital debt of the new Trust.—(*Appendix* N.)

REGISTRATION OF TRADE MARKS UNDER THE ENGLISH ACTS.

In June last Government requested the opinion of the Chamber as to whether a demand existed in this Presidency for the registration of trade marks, the statutes and rules regarding which had been published in the *Gazette of India* of 10th February 1877. Your Committee were not aware of any such demand existing in this Presidency, but suggested that if any did exist, it would be best known by application to the officer to whom those intending to register would have to apply.

Your Committee, however, took the opportunity to remind His Excellency that, on the 4th of September 1877, the Chamber had submitted to Government the expediency of a measure being introduced into India similar to the English Trade Marks Registration Acts.

DEPARTURE OF THE AUSTRALIAN AND CHINA MAIL STEAMERS.

The Post-master General requested the opinion of the Chamber on the following points:—(1) The departure of the Australian Mail Steamer having lately been changed from Saturday to Friday, was any inconvenience caused by the departure of the Overland and Australian Mails on the same day during the rainy season? (2) Supposing that during the fair season, the China and Australian Mails were despatched together on Monday (the same day as the Overland Mail), would not the arrangement be very inconvenient to the mercantile community?

Your Committee considered that no inconvenience was caused by the departure of the Overland and Australian Mails on the same day during the rainy season, and that if, during the fair season, the China and Australian Mails were despatched together on Monday (the same day as the

Overland Mail) the arrangement would be productive of the greatest possible inconvenience to the mercantile community. Your Committee added that it appeared to them that no alteration in the day of the departure of the China Mails was necessary in the Monsoon, and, as the Overland Mails were despatched on Mondays during the fair season, that Tuesday was the most convenient day for the departure of the other mails, particularly the China Mails, all the year round.

ABOLITION OF THE LAND POSTAL LINE TO KURRACHEE.

Your Committee observing, from the Postal Notice issued by the Presidency Post-master, under date the 1st of July 1878, that the Inland Mails to Kurrachee and Sind had been discontinued, addressed the Post-master General, requesting the favour of his informing the Chamber of the reasons which had induced Government to discontinue these mails. The principal reasons were:—That it was found that, by despatching a bi-weekly mail steamer to Kurrachee, the mails for Sind generally would be delivered, on 5 days out of the 7, as early as they now were by the land line, and on most of the days earlier; that, in the Monsoon, the land line was very precarious, the mail being detained for days when the Runn of Cutch was flooded; and that the expense of the land line was enormous in comparison with the amount of mail it carried.—(*Appendix* O.)

THE STAMP BILL.

Your Committee deeming it desirable that the Chamber should record its opinion on the Stamp Bill, appointed a Special Committee to consider its provisions. The Special Committee consisted of Mr. W. Lang, Chairman of the Chamber, Mr. Mackintosh Balfour, Mr. W. S. D. Black-

hall, Mr. H. W. Jones, and Mr. M. Mowat, Deputy Chairman of the Chamber. The Report of the Special Committee, which will be found in the appendix, was adopted and forwarded to Government.

The point which in this Bill appeared to the Special Committee to be most objectionable was the increase of nearly 50 per cent., which it was proposed to levy on Bills of Exchange payable after sight. It was proposed to increase the Stamp Duty upon Bills of Exchange from Rs. 6 to Rs. 10 *per-mille* ; or, in other words, to make it twice as heavy as it was in Great Britain, although trade had not lately been of a character to bear increased burdens. After the Chamber's Report on the Bill was sent to Government, the Bill was referred to a Select Committee of the Council of the Governor General. The Chamber will be gratified to learn that the Select Committee have, in their preliminary Report, abandoned the intention of providing for this excessive increase in the duty on Bills of Exchange and Promissory Notes payable otherwise than on demand, on the ground that they would not be warranted in imposing this additional tax upon the commerce of the country, especially at a season of comparative depression like the present. Other important amendments of the original Bill have also been made by the Select Committee. —(*Appendix* P.)

EXTENSION OF THE "VALUE PAYABLE" SYSTEM TO OVERLAND PARCELS BOOKED IN LONDON.

The "value payable" system provides for the transmission by the Post Office of a parcel (paid or unpaid) with the condition of realizing from the addressee on delivery the value of its contents as declared by the sender, and the payment to him (the sender) of the amount so realized, less a commission of about 2 per cent., thus facilitating inter-

course between customers and tradesmen by saving the addressee, or customer, from the trouble of a separate remittance, and the sender or tradesman from the risk and trouble of collecting his money.

No question had been raised as to the probable convenience of the system as applied to the inland parcel post of India; but it was intended to extend this system to "overland parcels" booked in London for delivery in India; and the Calcutta Trades Association protested most strongly against this extension of the system to England, as calculated seriously to injure all who were engaged in trade in India.

In consequence of this objection, an expression of the opinion of the Chamber, and of other representative bodies, was invited by the Director General of the Post Office of India on the following point—viz., whether the extension of the "value payable" system to overland parcels would, or would not, be a boon to the public, especially to European residents in the interior of the country. To this question, your Committee replied in the affirmative. Other bodies, however, objected to the measure in its present form, and His Excellency in Council, therefore, thought it well, before pressing the introduction of the revised arrangements, to allow time for a fuller consideration of the matter by those whose interests were supposed to be affected adversely.—(*Appendix* Q.)

STATISTICS OF GRAIN TRAFFIC DURING THE PERIOD OF THE RECENT FAMINE.

The Chamber was favoured with a Memorandum by the Consulting Engineer for Railways, dated 2nd April 1878, and accompanying diagrams, and explanatory notes, exhibiting the course of the grain traffic on the G. I. P. Railway,

quarter by quarter, from 1st October 1876 to 30th September 1887, also, with a statement showing total number and daily average of trains in November 1876 and in April and October 1877. A further Memo., dated 5th August last, and accompaniments, were also received from the Consulting Engineer, giving statistics of grain traffic from 1st July 1876 to 31st December 1877, embracing the period of the recent famine in the Deccan and Madras. These Memoranda and statements will be found in the appendix.—(*Appendix* R.)

THE NEW OPIUM RULES.

A number of copies of a circular on the subject of these rules, in their relation to the wholesale trade, were sent to the Chamber in May last for the purpose of giving them greater publicity. Under these rules, the transport of opium within or without the limits of Bombay was forbidden, except under cover of a Permit, and no Permit would be given for opium brought to Bombay for wholesale trade and exportation, except for whole or half chests. Your Committee deemed it necessary to point out that it would be impossible to carry on the business transactions of the purchase and sale of opium in Bombay, unless purchasers were allowed to convey samples to their offices for the purposes of testing. Fires, on which the samples were boiled, were necessary in the operation of testing, and fires could not, without great risk, be introduced into the present opium godowns, while the owners of the opium stored in these godowns would not, because of the great value of the article and its highly inflammable nature, allow a fire to be lighted under the same roof. Further correspondence passed between the Deputy Commissioner of Customs and the Chamber on the subject, resulting in the proposed rule being for the present placed in abeyance.—(*Appendix* S.)

TREATY OF TIENTSIN.

The Government of India, in August last, invited the Chamber to favour the Government with any suggestions they might wish to make in regard to the modification of the commercial clauses of the Treaty and of the Convention subsidiary to the Treaty subsequently entered into with the Chinese Government, so far as these clauses affected the trade between India and China. Your Committee were of opinion that the time had now come for opium to be placed on the same footing as all other ordinary imports into China. It was cultivated to so great an extent in the country that there was no reason why any more restriction should be placed on this article than on piece goods, or any other article of commerce, after it had once paid the import duty.—(*Appendix* T.)

COMMERCIAL TARIFF FOR MOZAMBIQUE.

In January 1878, the Chamber was favoured by Government with a copy of the despatch from the Secretary of State to the Government of India, dated 18th October 1877, forwarding the Mozambique Tariff, dated 30th July 1877. Copies of these papers will be found in the appendix.—(*Appendix* T*A*.)

MONTHLY TRADE AND NAVIGATION RETURNS OF THE BOMBAY PRESIDENCY.

In October 1877, the Commissioner of Customs requested the opinion of the Chamber as to the desirability or otherwise of continuing to publish these Returns in the *Government Gazette*, as such Returns did not appear to be published in any other Local *Government Gazette*. Your Committee were of opinion that the publication of the Returns in the *Gazette*, or in some other form, was in the highest degree desirable, and that to discontinue it altogether would be productive of great inconvenience. They availed themselves of the opportunity to suggest that it would add greatly to the usefulness of the Returns if they were issued in the very convenient and comprehensive form adopted by the Government of India in the "Accounts "relating to the Trade and navigation of British India," which were issued monthly with the quantities on the left

hand page and the values on the right, and were compared at the same time with the corresponding periods of the two previous years. This form agreed in every important particular with the monthly form of the "Accounts relating to Trade and Navigation of the United Kingdom ordered by the House of Commons." The publication of the Returns in this form would be of great convenience to merchants; and if it were adopted and issued to subscribers at a moderate charge, there would then be no necessity for the publication of the Returns in the *Government Gazette*, or of the "Annual Statement of the Trade and Navigation "of the Presidency of Bombay" as at present issued.

Mr. O'Conor, Assistant Secretary to the Government of India, who was deputed in June and July last to inquire into the affairs of the Bombay Custom House, intimated to your Committee that, if the Chamber desired it, Government was prepared, if a sufficient number of subscribers came forward, to print and issue the desired Return; he estimated that 35 subscribers would be sufficient; the charge to each subscriber being Rs. 4 for one copy, and Re. 1 for every additional copy which he required. This intimation was circulated among the members of the Chamber; the required number of copies was subscribed, and your Committee hope that the Returns in the form desired will soon be regularly issued.

COMPLAINTS OF THE MANAGEMENT OF THE CUSTOM HOUSE.

Numerous complaints having been made to the Chamber of the increasing and irritating obstructions to trade which were being experienced by the mercantile community from the manner in which the work of the Custom House was conducted, your Committee deemed it necessary to bring the

same to the notice of His Excellency the Governor in Council.

The causes of these complaints appeared again to have arisen from the constant changes of the superior officers of Customs, respecting which the Chamber addressed the Viceroy on the occasion of Lord Lytton's visit to Bombay in December 1876. When Mr. Reid left the Custom House, Mr. Pritchard was, in addition to his substantive appointment of Collector of Salt Revenue, appointed Acting Commissioner of Customs, Abkari, and Opium, and Reporter General of External Commerce. During Mr. Pritchard's temporary deputation to Simla, Mr. Pedder was appointed Acting Commissioner of Customs, Abkari, and Opium, and Reporter General of External Commerce, but in addition to the duties of this appointment, he was to continue to perform his special duties in connection with the License Tax. To neither Mr. Pritchard nor Mr. Pedder was there any personal objection; but it seemed to your Committee that it was impossible for any person, no matter what his energy and abilities might be, to administer the Customs Department with proper efficiency, if he had also other onerous duties to attend to.

Mr. Pritchard was appointed Acting Commissioner of Customs on the 29th March last, but although the duties of this office necessarily required the attendance of the Commissioner daily at the Custom House, he was during the greater part of the time he held the office absent from Bombay. Mr. Pedder had apparently adopted the same practice, and, from an office in Poonah, was nominally conducting the Custom House of the Port of Bombay. The Customs Department had consequently been left to the charge of the Deputy Commissioner, Mr. Trevor, who, although a conscientious and hard working official, did not appear to the Chamber to be adapted for the work of the

Custom House, and to Mr. Coghlan, who professed to represent the Acting Commissioner, but who did not possess the experience requisite for the office.

The result of this state of things was that an illiberal and antagonistic spirit, and an unwillingness to exercise any discretionary power, were now the prevailing characteristics in the conduct of the Custom House ; and your Committee believed that it was principally attributable to the mistaken and determined disinclination of the Deputy Commissioner to *use any discretion,* and to his deciding every individual case which arose strictly according to the *letter* of the Act, that the spirit of liberality in which the Act was lately amended by Government had failed to benefit the merchants, as it was intended to do.

In connection with these remarks, your Committee drew attention to the fact that official documents were signed by Mr. Coghlan " for Acting Commissioner of Customs, Opium, and Abkari," as they were not aware of any official notification of Government of his appointment to the charge of that office,—by the assumption of which he took the position of Commissioner of Customs, thereby virtually superseding the Deputy Commissioner, Mr. Trevor, and the Assistant Commissioners. It was but a little more than four years since Mr. Coghlan was head Clerk of the Bonded Warehouse, from which point, without the slightest experience of the Customs Department, he virtually assumed the head of it. We had, therefore, Mr. Lestock Reid, as Commissioner of Customs, Mr. Pritchard acting for Mr. Reid, *but residing at Simla,* Mr. Pedder acting for Mr. Pritchard *but residing at Poona,* Mr. Trevor, the Deputy Commissioner, *on leave in Europe,* (this gentleman having gone home a few weeks previously,) and the only person in Bombay apparently able to sign an official document for the head of one of the most important departments of

Government, Mr. Coghlan, a gentleman without any official position or experience in the department.

Your Committee believed that the Government of India, in passing the Sea Customs Act, 1878, had a twofold object in view, (1) that its legitimate revenue from Customs should be fairly and fully collected, and (2) with the least possible obstruction to trade, but your Committee regretted that while the latter object appeared to be lost sight of altogether, the former was unduly strained, in proof of which they gave several illustrations.

The system which had, for many years past been adopted in Calcutta, had, your Committee believed, worked with equal advantage to Government and to the mercantile community of that Port. A junior civilian of known energy and ability was appointed Commissioner of Customs on the understanding that, during his whole period of service, he should continue to act as Commissioner and aspire to no other office. By this plan, the great inconvenience resulting from frequent changes of the chief officer of the department was prevented; and your Committee would be glad if a similar system were introduced into Bombay.

It was of equal importance that a person of mercantile experience, and one capable of exercising a liberal discretionary power, should be appointed to the important office of Deputy Commissioner.

Some time ago, as the best means of removing the causes of complaint in Madras, a merchant was selected by the Madras Government to fill this office in the Custom House of that Port. It seemed to your Committee to be of little consequence whether the person appointed was taken from the official or non-official classes, provided the fittest person was appointed. They believed that there was no other appointment where the qualifications of energy, experience, and the ability to exercise a wise and liberal discretion, were

more needed than in that of the Deputy Commissioner of Customs.

Your Committee availed themselves of the opportunity to acknowledge the spirit of liberality with which the Government of India had always desired that the Customs Department should be administered. So recently as on the 2nd of September, it passed a Resolution dispensing with the payment of fees on the alteration of documents, the exaction of which, in every case without exception, had for some months past caused unnecessary hardship and annoyance. The concluding passage of para. 4 of that Resolution ran as follows:—"His Excellency the Governor General in Council "does not doubt that the discretionary power now vested in "Customs Collectors will be wisely and liberally exercised, "and the great importance of maintaining, so far as may "be possible, friendly relations between the mercantile "community and the Customs establishments always borne "in mind."

Your Committee, in conclusion, hoped that His Excellency the Governor in Council would also take a liberal view of the relations which should exist between the Custom House officials and the mercantile community, and that he would take early measures to introduce such changes in the conduct of the Custom House as would relieve the mercantile community of this Port of the inconveniences to which they were now unnecessarily subjected.—(*Appendix* U.)

CONSTRUCTION OF THE WESTERN RAJPUTANA RAILWAY ON THE BROAD GAUGE.

In the course of his reply to the deputation which had the honour of waiting upon His Excellency, on the 15th of September 1877, to present the memorial of the inhabitants of Bombay praying that he would urge on the Government

of India and on H. M.'s Secretary of State that the whole of the line from Ahmedabad to Delhi be constructed on the broad gauge, His Excellency announced that he had very strongly recommended the line from Ahmedabad to Pahlunpore being constructed on the broad gauge, that that recommendation had been acceded to, and that the construction of that portion of the line was about immediately to be undertaken on the broad gauge. After that announcement, the mercantile community had hoped that the work would, from its great importance, be immediately begun and vigorously prosecuted.

It had, however, come to the knowledge of the Chamber that, while the construction of the narrow gauge line from Ajmere to Beawah was being rapidly pushed on, very little progress had been made with that portion of the line between Ahmedabad and Pahlunpore, which was sanctioned on the broad gauge ; and in June last they addressed Government on the subject. The earthwork only had been done, and a few culverts only were being proceeded with, while no contract for maintenance, which was usual in works of this description when they were intended to be permanent, had, your Committee understood, yet been given. The languid way in which the work had hitherto been prosecuted might possibly be owing to financial considerations, but the Chamber would be glad to receive an assurance from His Excellency that there was no foundation for the fears which were entertained that it was the intention of the Government of India to depart from its Resolution passed on His Excellency's recommendation, and to make the line from Ahmedabad to Pahlunpore on the narrow gauge.

While writing on this subject, your Committee observed that the results of the working of the Rajpootana (State Metre Gauge) Railway, for the half year ending 30th June 1877, had now been ascertained. These had been brought

together and compared with the same results in the working of the traffic of the G. I. P. and B. B. and C. I. Railways, by Mr. Wood, the Chief Auditor and Accountant of the latter Company, in a note, dated 13th May 1878, and table of comparison appended thereto. The information contained in this note appeared to your Committee to be of extreme importance, and to merit careful consideration before further projects involving the construction of portions of main through lines of communication on the narrow gauge were commenced. Copies of this note and table of comparison were at the same time forwarded for the information of His Excellency with a request that he would be so good as to transmit copies to H. M.'s Secretary of State, and to the Government of India, for their consideration. Government, in acknowledging receipt of this communication, merely stated that copies had been forwarded to the Secretary of State and the Government of India.—(*Appendix* V.)

NEW STIPULATION IN THE G. I. P. RAILWAY COMPANY'S RECEIPTS FOR GOODS.

In the beginning of June last, numerous complaints were made to the Chamber of the stipulation which was then entered in the G. I. P. Railway Company's receipts for goods, and which ran as follows :—" Consigned at owners risk, " the Company being free from all risks on account of " damage or loss by rain *or otherwise*," and a number of native merchants waited upon your Committee and produced the Railway Company's receipts containing this stipulation. It did not appear from what risks the words " or otherwise" were intended to free the Railway Company, but they had been interpreted in the bazaar to mean that the Company wished to exonerate themselves from all the risks for which they were liable as common carriers, such, for instance, as

short deliveries, &c., and the consequence had been that not only had business been checked, but the native merchants had declined to forward any goods by railway, and would continue to do so until the intentions of the Railway Company were clearly made known to them.

The Traffic Manager, to whom your Committee submitted these complaints, was so good as to state that the risk note would in future be worded as follows :—Consigned at owners risk, the Company being freed from all risk on account of damage or loss by rain unless occasioned by the negligence of the Company, and that this would apply to undammered—not to dammered—piece goods, cotton, grain, &c. With this the native merchants expressed themselves as satisfied.

SUGGESTION OF THE DEPUTY COMMISSIONER OF CUSTOMS THAT SHIPMASTERS AND AGENTS SHOULD, IN PREPARING THE IMPORT GENERAL MANIFEST, NUMBER THE ITEMS, AND NOTE CORRESPONDING NUMBERS ON THE BILLS OF LADING OR DELIVERY ORDERS.

The Deputy Commissioner, in making this excellent suggestion, stated that, if adopted, it would tend greatly to facilitate the work of the Import Department of the Custom House as well as save the time of importers. It would enable the Manifest clerk to lay his finger on the item and give entry at once instead of keeping the importer waiting while he hunted up and down through pages of confusing marks for the item required ; and it would tend to prevent mistakes, and be a great assistance on all occasions involving reference to the General Manifest. The Deputy Commissioner proposed to direct that consecutive numbers should for the future always be given to the items in the General Manifests : the numbering of bills of lading or delivery

orders to correspond was, however, beyond the province of the Customs Department, and he asked the Chamber, if the suggestion met with its approval, to endeavour to further its adoption by masters and shipping firms. The Deputy Commissioner's letter was circulated to the members of the Chamber, and the suggestion approved by them; and your Committee requested him to give directions for its being put in practice on the 1st of August last.

EXTENSION OF THE RAILWAY FROM NAGPORE TO RAIPORE ON THE NARROW GAUGE.

Your Committee learned, in May last, that this extension had been sanctioned on the narrow gauge, which would cause a break of gauge at Nagpore, the heart of the producing districts. It appeared to your Committee that this interruption would diminish the utility of the proposed line, and obstruct the efficient transit of the through traffic when the line was extended to Calcutta; and they therefore addressed a memorial to His Excellency the Viceroy praying that, in the construction of the line, the broad gauge be adopted. His Excellency the Governor in Council stated that, in forwarding the memorial to the Government of India, he had not felt that he would be justified in making any recommendation regarding the gauge to be adopted eastwards of Kamptee, up to which point it was desirable, in any case, to extend the broad gauge for the convenience of troop traffic.

The Government of India in reply to the Chamber's memorial stated that the line in question was a provincial one, for which the Local Administration had undertaken the financial responsibility, whilst the question of its gauge had been fully discussed, and, in compliance with the order of the Secretary of State in Council, it had been decided that that of the metre gauge should be adopted.—(*Appendix* W.)

YORK-ANTWERP RULES OF GENERAL AVERAGE.

The Association for the Reform and Codification of the Law of Nations forwarded to the Chamber a report published by the Committee of York and Antwerp rules, from which it appeared that it was intended to put those rules in force from and after the 1st of January next; and they hoped that the Chamber would be willing to follow the example of the ship and steam-ship owners and powerful underwriting bodies of England, which now favoured the adoption of these rules. There seemed to your Committee to be no unanimity at home on the subject of these rules as yet; and they replied that merchants in the East would naturally agree to them as soon as they were universally adopted at home and in foreign countries.—(*Appendix* X.)

MEMORIAL OF THE MANCHESTER CHAMBER OF COMMERCE TO THE SECRETARY OF STATE FOR INDIA ON THE RECENT ALTERATIONS IN THE INDIAN TARIFF APPLYING TO THE DUTIES ON COTTON GOODS AND YARN IMPORTED INTO INDIA.

A letter and resolution of the Manchester Chamber, addressed to the Secretary of State for India, were forwarded to this Chamber, with an expression of their hope that the resolution would meet with the approval of this Chamber, and that it might have our warm support for the object in view The Manchester Chamber urged the desireableness of simplifying those provisions of the recent Indian Budget that affected manufactured cottons by exempting from duty all Goods made from Yarns not finer than 30s., and Yarns up to 26s. water and 42s. mule. Your Committee, in reply, regretted that they could not at present support the resolution of the Manchester Chamber, as it would be

utterly hopeless in the present state of the finances of India to expect the Government of India to forego the revenue derived from the Goods and Yarns which that Chamber desired to have exempted from duty.—(*Appendix* Y.)

LIVERPOOL STANDARD SAMPLES.

The fresh standards of the different classifications of Dhollera, Oomraotee, Hingunghat, Sawginned Dharwar, Machine Ginned Broach, Comptah, and Veravul, referred to in last year's Report, were duly supplied to the Chamber by the Liverpool Cotton Brokers' Association. These samples were of great service, during last season, to members of the Chamber, and to those interested in the Cotton trade of this port, and the thanks of the Chamber were conveyed to the Association for the care and trouble which it had taken in the Chamber's behalf. Your Committee have applied to the Association for a new set of standard samples for the approaching season.

WEEKLY TELEGRAM REPORTING ON THE STATE OF THE COTTON CROPS AND THE PROSPECTS OF THE YEAR IN THE CENTRAL PROVINCES AND THE BERARS.

Your Committee, believing that such a telegram containing this information brought down to the latest date and received on the day previous to the departure of the English Mail, would be useful to members, requested the Acting Commissioner of Cotton Statistics in the Central Provinces and the Berars to supply the Chamber regularly with such a telegram, which he kindly consented to do. These telegrams, as soon as received, are printed and circulated for the information of members.

RAILWAY CONFERENCE IN CALCUTTA.

The General Railway Conference, referred to in last year's report, which was postponed for some months, in consequence, it was understood, of the pressure of the famine traffic upon the Railways, will be held in Calcutta, probably some time in January next. Your Committee at one time proposed submitting to the Conference a paper advocating a considerable reduction in the G. I. P. Railway Company's goods tariff, but this proposal has been abandoned as unlikely in any way to promote the object in view.

A BILL TO PROVIDE FOR THE LEVY OF FEES FOR THE USE OF GOVERNMENT LANDING-PLACES IN THE PORT OF KURRACHEE.

This Bill, which was stated in last year's Report to be in contemplation, has recently been introduced into the Council of His Excellency the Governor for making Laws and Regulations. Under Section 2 of the Bill, the Governor in Council is empowered by notification in the *Bombay Government Gazette* and in the *Sind Official Gazette* to determine the limits of any Government landing-place to which the provisions of this Act shall apply, and to fix the fees to be levied.—(*Appendix.* Z.)

THE CONCESSION TO CONSTRUCT A RAILWAY FROM BELLARY TO MARMAGOA BAY IN PORTUGUESE TERRITORY.

In August last, your Committee, with extreme concern, heard it reported that H. M.'s Secretary of State for India had recently granted a concession for the construction of this railway, and that the concession had been granted without the knowledge or concurrence of the Government of India or the Government of Bombay, and

without consulting the mercantile communities interested as to the expediency of such a concession being given. If the concessionaire were successful in forming a Company to make this railway, it would traverse in its western sections, the Foreign districts of Goa, and terminate at Marmagoa, a foreign port. The country belonging to the Portuguese Government would thus be opened up, but your Committee were not aware of any arrangement having been concluded by the Government of India with that Government under which all merchandise passing over the line would be exempted from duties and Marmagoa declared a free port, or under which the duties imposed in Portuguese territory would be equalized in every respect with those levied by the Government of India in British territory; and the trade of the Southern Mahratta Country, passing over the line, would therefore be subjected to whatever taxation a foreign Government might see fit to impose upon it. Your Committee considered it their duty to represent to H. M.'s Secretary of State, in the strongest terms, how injurious the effect of such a concession, if carried out, would be on the British trade of Southern and Western India, and they urged that every means be adopted to rescind the concession which had been made by any legitimate means which might be in the power of the Secretary of State.—*(Appendix* AA.*)*

THE INDIAN MERCHANT SHIPPING BILL, 1878.

A letter, dated 16th July last, was received from Government forwarding a copy of a letter from the Government of India No. 365, dated 3rd idem, together with a copy of "The Indian Merchant Shipping Bill, 1878, and requesting that Government might be favoured with the opinion of the Chamber on the provisions of the Bill. A Special Committee, composed of the General Committee of the

Chamber, with the addition of the following gentlemen, viz:—Messrs. Hamilton Maxwell, James Dickson, and Captain J. R. Kellock, was appointed to consider the Bill, and the Report of the Special Committee was adopted and sent in to Government.—(*Appendix* BB.)

BALES OF DAMAGED COTTON, OILY WASTE, MILL DROPPINGS, &c.

Whenever bales of this description are measured by the Chamber's measurers at the several bunders, a memo., containing full information respecting the goods, is now filled up by the measurer and despatched direct to the Bombay Underwriters' Association.

PROPOSAL OF THE EASTERN TELEGRAPH COMPANY TO ISSUE AN AUTHORISED CODE OF 50,000 WORDS.

The Bengal Chamber recently drew the attention of your Committee to this movement, the adoption of which would result in all present commercial codes being rendered useless, and merchants would have to suffer the inconvenience, annoyance, and expense, of preparing new ones. The proposal was to issue an authorised code of 50,000 words selected from the English, French, German, Latin, Italian, and Hindustani languages, which, it was declared by the Chairman of the Eastern Company, would be sufficient for the requirements of commerce, and to apply a single rate for each word in this code, but a double charge would be made for any words other than those contained in it. The Bengal Chamber had no objection to an authorised code, but they considered that a code containing only 50,000 words was not sufficient for the requirements of

commerce ; that at least 100,000 words were necessary; and that the use of such authorized code should be optional with merchants. They had no doubt in time its use would become general as new codes were prepared, but in the meantime they suggested that a united representation be made to the companies and to the Government Director-General, advocating that merchants be allowed to continue using their present codes, and that 5 figures should be taken as one word without repetition charge, as also Whitelaw's word combinations, and any others based on the same principle. The Bengal Chamber desired to be informed if this Chamber was willing to join in a general protest against the proposed alteration, and in a request that all words or word combinations not exceeding 10 letters similar to those referred to be admitted, and 5 figures be received as one word without extra charge.

In reply, your Committee observed that they had no information in regard to this contemplated movement beyond what the Bengal Chamber had communicated to them; but your Committee concurred with them in considering that a code containing only 50,000 words was not sufficient for the requirements of commerce, that at least 100,000 were necessary, and that the use of the proposed code should be optional with merchants. So far, therefore, as your Committee could see at present, they would be happy to join in the general protest, and in the request suggested by the Bengal Chamber.

While writing on this subject, your Committee desire to remark that they have been favoured with a copy of an interesting correspondence regarding Whitelaw's Code, which passed between the Indian authorities at home and Messrs. James Finlay & Co., Glasgow. This correspondence will be found in the appendix.—(*Appendix* CC.)

THE COTTON FRAUDS ACT.

The Bombay Cotton Frauds Act 1877, which was passed and sent to the Government of India for approval, was fully discussed last year. After some correspondence between the Local Government and the Government of India, the Government of India announced that they were prepared to pass the Bill if certain omissions were made. In accordance with the suggestions of that Government, a new Bill No. 4 of 1878 had been drawn up: it was introduced into the Legislative Council of His Excellency the Governor on the 13th September 1878, when it was read a first time; and the standing orders having been suspended the Bill passed the same day through all its stages. The member in charge of the Bill explained to the Council that the only material portions of last year's Bill which had been omitted were those with reference to the applications of fees and forfeitures. It had been thought advisable by the Local Government to expend a portion of the fees in the general improvement of cotton cultivation in the Presidency, but they had no very strong opinion on the subject, and, when the authorities on the other side of India took objection to that point, the Government of Bombay were quite prepared to meet their view. The only other change was the insertion of the words "not belonging to the Govern-" ment" after the word "cotton," in the 21st section, the object of which amendment was to avoid all possibility of conflict with section 20 of the Sea Customs Act, 1878. With the exception of some verbal alterations, these were the only changes which had been made.—(*Appendix* DD.)

PROGRESS OF PRINCE'S DOCK TO SEPTEMBER, 1878.

The following outline of the progress which has been made in this important work has been courteously supplied

to the Chamber by Mr. George Ormiston, the Resident Engineer of the Bombay Port Trust :—

The whole of the walling has been completed within the Dock and also the Harbour walls. The entrances have been completed with the exception of part of the coping, and the walls have been backed up.

Arrangements for the erection of sheds and minor works in connection with the Dock are in progress.

The gates and hydraulic machinery were shipped, and the first consignment weighing over 1,000 tons arrived in good order ex. S. S. Alabama, the remainder, about 400 tons, has been shipped in the Kaiser-i-Hind.

Twenty 30 cwt. cargo cranes have been provided as a commencement. They are portable and can be shifted so as to plumb the hatchways of any vessel. Hydraulic captans will also be fixed at the entrances for manœuvering vessels.

The excavation of the inside of the Dock has made good progress. Out of a total quantity of thirty millions cubic feet twenty-five millions have been taken out and the remaining portion will be finished in a few months. The greater portion of this material is being utilized at Mody Bay in reclaiming about 30 acres of foreshore to bunder level ; selected portions have also been used for backing to the Dock walls.

The Dredger has been in full work during the year opening out a channel to the Dock. Diving and blasting operations in connection with the approaches were also carried on. From present appearances the Dock will be ready to receive vessels by April or May next year.

At low water extreme spring tides there will be 16 feet water in the channels, 14 on the sill, and 17 in the Dock. At ordinary low water springs there will be 2 feet more water.

Application for berths to be reserved have already been received from the P. & O. and B. I. S. N. Companies, Hall, and Anchor, and Clan, lines, and also for the Troopships.

REMISSIONS AND REDUCTIONS OF CUSTOMS DUTIES.

A summary of all the changes which have been made by the Government of India, during the year ending 30th Sep-

tember 1878, in the Indian Tariff, will be found in the appendix, the same being a continuation of the list which appeared in last year's Report.—(*Appendix* EE.)

QUOTATIONS OF EXCHANGE, DISCOUNT, GOVERNMENT SECURITIES, AND FREIGHT, AND OF THE PRICES OF THE PRINCIPAL ARTICLES OF IMPORT AND EXPORT DURING THE YEAR 1878.

It has been felt that it would be a convenience if these quotations were given in the Annual Report of the Chamber. A list has accordingly been compiled from the quotations issued weekly by the Committee, and will be found in the appendix ; and a similar compilation will appear yearly in the future Reports of the Chamber.—(*Appendix* FF.)

CHARTS AND NOTICES OF THE MARINE SURVEY DEPARTMENT.

The Chamber is indebted to the courtesy of Commander A. Dundas Taylor, late I. N. Superintendent of Marine Surveys to the Government of India, for a supply regularly of the very valuable charts constructed by him. These charts, and the notices issued by the Marine Survey Department, are filed in the offices of the Chamber, where they are always open to the inspection of members.

MISCELLANEOUS.

Numerous references have been made to your Committee during the past year, on points connected with the mercantile and shipping interests of the Port, which were considered and disposed of in the usual manner.

The balance at the credit of the Chamber on the 30th September 1878 was Rs. 17,253-6-7, against Rs. 21,955-0-3 in the previous year, being a falling off of Rs. 4,701-9-8. Of this falling off, however, only Rs. 695-11-10 belongs to the general amount of the Chamber, the remainder being loss in working the Measurement Scheme—(*Appendix* A.)

The Measurement Fee Account shows a debit balance of Rs. 4,005-13-10, the loss in this year, as in the two previous ones, being accounted for by the large falling off in

the exports of Cotton, caused by the short and irregular rainfall during the S. W. Monsoon of 1877. The Measurement Fee was raised, on the 1st of January, from 3 pies to 3½ pies per bale, and again on the 1st of May last from 3½ pies to 4 pies per bale. The following table shows the financial position (excluding interest on Fixed Deposits, &c.,) of the Measurement Scheme since its commencement on 18th May 1870.

Year Ending.	No. of Bales, Measured.	Receipts.	Expenditure	Surplus Receipts.	Excess of Expenditure.
From 18th May 1870 to 31st August 1872 ...	Not recorded	51,194	34,859	16,335	...
From 1st September 1872 to 30th September 1873	973,103	19,635	18,522	1,113	...
Year Ending 30th September 1874	1,055,045	21,731	19,296	2,435	...
30th September 1875 ...	1,460,216	22,383	22,949	...	566
30th September 1876 ...	1,225,638	18,988	22,753	...	3,765
30th September 1877 ...	1,070,940	18,260	22,493	...	4,233
30th September 1878 ...	955,124	20,460	24,466	...	4,006

The results of the working of the scheme shown in the table in last year's Report were brought down only to the 30th of June in each year, and did not include the adjustments necessary for head office charges made in the account for the year ending 30th September 1875.

Your Committee have only now to tender their thanks to the members of the Chamber for their ready attention to all matters on which they have had occasion to consult them; and to express their acknowledgments to His Excellency the Governor General of India in Council, and to His Excellency the Governor of Bombay in Council, for the courtesy and attention with which their representations have on all occasions been received.

Chamber of Commerce, Bombay,
21st October, 1878.

APPENDIX A.

FUNDS OF THE BOMBAY CHAMBER OF COMMERCE FOR 1877-78.

FOR THE YEAR ENDING 30TH SEPTEMBER, 1878.

Disbursements.	Amount.	Receipts.	Amount.
	Rs. A. P.		Rs. A. P.
Rent	1,680 0 0	Balance at the Credit of the Chamber, on 30th September 1877, as shown in last Year's Account ..... Rs. 25,363 8 1	
Printing—		Deduct loss in the Measurement Fee Account for the Year ending 30th Sept. 1877, as shown in last Year's Account. ,, 3,408 7 10	21,955 0 3
Miscellaneous Papers ..... Rs. 1,435 0 0		Subscriptions and Publications	*20,925 8 0
Annual Report ..... ,, 1,802 0 6		Realized by Sales of Daily and Weekly Trade Returns and Manifests	1,092 0 0
	3,237 0 6	Do. on Cotton Measurement Fee for Head Office Charges in connection with the Measurement Scheme	2,300 0 0
Advertisements	135 11 9	Do. on Millowners' Association's contribution to Statistical Department	1,200 0 0
Newspapers and Books	1,067 12 7	Do. Interest on Fixed Deposit Rs. 13,000 for one year ..... Rs. 650 0 0	
Office Salaries, Telegrams, Petty Charges, &c.	8,195 4 10	Do. do. for two months ..... ,, 25 2 4	
Cotton Samples from Liverpool Cotton Brokers' Association	100 1 0	Do. do. Fixed Deposit for Rs. 7,000... ,, 352 14 0	1,028 0 4
Law Charges	310 4 0	Realized on Miscellaneous receipts for copies of Tonnage Scale, &c.	14 6 0
Expense on account of Public Meeting on Mail Contract	299 2 0		
Stationery	577 12 0		
Postage and Receipt Stamps	196 0 10		
Daily and Weekly Trade Returns, Manifests and other Statistics, Salaries & Stationery.. Rs. 4,278 15 4			
Printing do. ..... ,, 6,291 9 4			
	10,550 8 8		
Millowners' Association Establishment for Statistics	996 0 0		
Less in the Measurement Fee Account for the year ending 30th September 1878, as per Account below	4,005 13 10		
Balance invested as follows :—			
In Fixed Deposit Receipts bearing interest at 5 per cent. per annum :—			
Chartered Mercantile Bank- ..... Rs. 7,000 0 0			
National Bank of India ..... ,, 7,000 0 0			
Cash in Bank of Bombay General Account ..... ,, 3,096 15 6			
Do. Measurement Fee Account, ,, 156 7 1			
	17,253 6 7		
Total ..... Rs.	48,514 14 7	Total ..... Rs.	48,514 14 7

*Not including Subscriptions and Publications for September 1878, which amounted to Rs. 1,708-8.

MEASUREMENT FEE ACCOUNT FOR 1877-78.

For the year ending 30th September, 1878.

To Disbursements, Salaries, Stamps, and Printing, from 1st October 1877 to 30th September 1878 ..... Rs.	24,466 1 2	By Receipts from Fees ..... Rs.	20,460 3 4
		,, Balance being loss transferred to the Debit of General Account	4,005 13 10
Total ..... Rs.	24,466 1 2	Total ..... Rs.	24,466 1 2

APPENDIX B.

TOWN DUTIES LEVIED BY THE BOMBAY MUNICIPALITY.

BOMBAY CHAMBER OF COMMERCE, 18*th December* 1877.

The CHIEF SECRETARY to GOVERNMENT, Bombay.

SIR,—I have the honour, by direction of the Chamber of Commerce, to submit for the consideration of His Excellency the Governor in Council, the following representation on the subject of the Town Duties levied by the Bombay Municipality, under the Bombay Municipal Act of 1872, the continuance of which, with certain modifications, is now before the Legislative Council of H. E. the Governor.

The Chamber has on several occasions addressed Government on the subject of town duties. Its representation regarding the duties on grain and tobacco levied in Bombay, and the correspondence which ensued thereon, will be found in the Annual Report of the Chamber for the year 1874-75, Appendix J, p. 383. The Resolution passed by the Government of India on that occasion was as follows:—"The Governor-General in Council agrees with "the Government of Bombay in considering that the pro- "posals made by the Municipal Commissioner of Bombay "are calculated to prevent the dues levied on behalf of the "Municipality at Bombay from operating as Transit "Duties. It will devolve on the Government of Bombay "to see that those proposals, with any needful modifica- "tions, are carried into effect." The same Resolution recites that the Government of Bombay had, in forwarding the Chamber's representation to the Government of India, expressed its desire to see the system on which the municipal dues were levied divested, as far as possible, of anything that could give them the character of transit duties, and was of opinion that the proposals made by Mr. Pedder would undoubtedly tend to that end. These proposals are contained in paragraphs 41 to 49 of Mr. Pedder's

letter to the Chief Secretary, No. 602, dated 26th January 1875, and would, if carried out, have afforded great relief to trade. But in the subsequent correspondence which took place between the Chamber and the Government of Bombay on the subject of the town and transit duties levied by municipalities in the Presidency of Bombay (*vide* Annual Report for 1874-75, pp. 415 to 436; also Annual Report, 1875-76, pp. 90 to 94, and reply of the Chief Secretary, dated 7th February 1877) not only were Mr. Pedder's proposals disregarded, but a general approval given to the present system of municipal taxation in the Town and Presidency of Bombay, which is opposed to the wise and liberal policy of the Government of India, as enunciated in its Resolution on municipal taxation, dated 6th November 1868, and re-affirmed in the letter dated Simla, September 1877, addressed by the Government of India to the subordinate Governments.

The questions upon which the Chamber now desires to address His Excellency are :—(1) the articles which, under Section 114 of the Bombay Municipal Act of 1872, are subject to town duty; and (2) the provisions with respect to refund under Section 120 of the same Act.

In regard to articles on which town duties may be leviable, the Chamber approves of the rules laid down by the Government of India in its Resolution of November 1868 aforesaid, and which the Governor-General in Council requested should not be deviated from without the previous sanction of the Government of India. These rules were—

I. That subject to the limitations contained in Rule II., no Town Duty or Cess under any name should be levied by any Municipal body on any commodity not included in the following list, *viz* :—

(1) Articles of food or drink for men or animals.
(2) Animals for slaughter.
(3) Articles used for fuel, for lighting or for washing.
(4) Articles used in the construction of buildings.
(5) Drugs, gums, spices, and perfumes.
(6) Tobacco.

II. That no such duty should be levied on any of the following articles, *viz.* :—

(1) Articles liable to Customs duty and imported into India by sea.
(2) Salt.
(3) Opium.
(4) Fermented or spirituous liquors manufactured in India, and drugs liable to Excise or Abkaree duty ; and

III. That no such duty shall be levied, except on things brought into a town for actual use or consumption therein.

By the subsequent orders of the Government of India of the 6th January 1871, the following classes of commodities were added to the list of articles subject to the levy of octroi duties :—

(1). Piece goods and other textile fabrics and manufactured articles of clothing and dress.
(2). Metals and articles of metal

subject, however, to this proviso, that the duty on them did not exceed 1½ per cent. *ad valorem*. But in all other respects the rules prescribed in the Resolution of November 1868 were re-affirmed in 1871, and again in the letter addressed by the Government of India to the subordinate Governments in September 1877.

Articles on which town duties are levied.

With regard to the Town Duties levied by the Bombay Municipality under Schedule B. of Bombay Act No. III. of 1872, the Chamber trusts that His Excellency the Governor in Council will adopt the recommendation of the Select Committee of the Legislative Council appointed to report upon Bill No. 6 of 1877, and omit from Schedule B, Metals and Jagree. The Chamber, however, begs also, for the reasons given by Mr. Pedder, in paragraph 48 of his letter No. 602, of the 26th January 1875, above referred to, to urge upon His Excellency that in addition to these articles, the article "Timber," upon which a duty at the rate of 2½ per cent. on the market value is levied, be omitted from Schedule B. Mr. Pedder stated on that occasion that metals and timber were to a very large extent used to make up into manufactured articles (as, for instance, machinery, cooking pots or house-hold utensils of metal, furniture, boats, carriages, &c.,) in Bombay, and then exported, that it was

impossible to grant refunds on these articles, and the consequence was that the town duty acted, to a considerable extent, as a tax, not on the consumption of Bombay, but on her manufactures.

The proposal to insert firewood in the schedule, and to levy upon it a duty of 2 annas per candy, has the entire approval of the Chamber, for the whole quantity imported is consumed in Bombay, and the tax, while easy of collection, would not, it is believed, press heavily upon the poorest classes. Mr. Pedder estimates that this tax would produce nearly one lakh of Rupees. The revenue derived by the Municipality from those duties which the Chamber now recommends should be abolished, is as follows, *viz.*—from metals, as shown by Mr. Pedder, Rs. 37,848, and from timber Rs. 41,279, and it has been ascertained that the revenue from jagree amounts to about Rs. 11,000. The duties upon these articles together amount to Rs. 90,127. By the change now recommended there would thus be a clear gain of revenue to the Municipality, and while relieving important branches of general trade from inconvenience, the municipal taxation of Bombay would be more in accordance with acknowledged principles.

With regard to the other articles entered in Schedule B. upon which town duties are leviable, *viz.*—

Grain of all sorts,
Ghee,
Wines and Spirits,
Beer,
Sugar, including Molasses and Goor,

the Chamber, although the three last named are subject to Customs duty, has no remarks to offer, provided a simple system of refunds, free from all objectionable limitations and restrictions, is established. The Chamber, in its letter to the Government of India, dated 30th November 1874, above referred to, suggested that measures should be taken to repeal the municipal duty on grain, but the amended rules subsequently introduced by the Municipality for the refund of town duties paid on grain exported by sea, under which the certificate of the exporter is all that is necessary to obtain refund, have to a great extent removed the ground of complaint against the interference of this duty with general trade.

Refunds.

The limitations and restrictions with respect to refunds of town duties paid on other articles, have operated with great hardship and injustice, and numerous complaints respecting them have been made to the Chamber. I am therefore directed respectfully to submit for the consideration of His Excellency the urgent necessity which exists for a modification of Section 120 of the Municipal Act. No. III. of 1872 relating to refunds, which provides that Town Duties shall be refunded—

(1) provided that the articles be exported within six months from the date of importation; and

(2) provided that no refund be claimable of less amount than ten rupees.

Now, under Rule III. in the Resolution of the Government of India of November 1868, it is ordered that no town duty shall be leviable except on things brought into a town for actual use or consumption therein, and in paragraph 4 of the letter of the Government of India of September last, no limit of time appears to be fixed within which refunds are to be granted. The Chamber begs respectfully to recommend that the provision which limits the granting of refunds to articles exported within six months from the date of importation should be repealed, as being an unnecessary hardship to importers. It frequently happens that merchants are obliged to store imported goods for a much longer period than six months before they can find a market for them. If town duties are intended to be levied only on articles consumed in the town, it is an injustice to merchants that they should be mulcted in what is practically a transit duty when the state of trade does not enable them to export their goods within a given time. There should, the Chamber submits, be no restriction whatever as to the time within which refunds of town duties should be claimable, but if His Excellency considers it desirable that some limit should be fixed, the Chamber trusts that the period for the granting of a refund shall be extended to at least two years from the date of the importation of the article, which is the period allowed under Section 137 of the Consolidated Customs Act No. VI. of 1863 within which drawback on dutiable goods re-exported may be claimed.

With regard to the provision that no refund shall be claimable of less amount than Rs. 10, the Chamber submits that the limit of refund claimable should be reduced from Rs. 10 to Rs. 2. In para. 11 of the letter of the Government of India of September last, reference is made to a similar rule which was in force in the Nagpore Municipality that refunds should only be made when the duty paid exceeded Rs. 10. This limit the Government of India considered was undoubtedly too high, and, in para. 24 of the same letter, it noticed with approval that the Commissioner of the Central Provinces had arranged that the limit should be very low indeed. Mr. Pedder, in para. 47 of his letter No. 602 of 1875, to the Government of Bombay, above referred to, recommended that the minimum amount claimable as refund should be reduced to Rs. 5, when the transaction might be fairly considered to be of a retail character. The Chamber cannot accept the principle that a municipality is entitled to withhold the refund of town duty paid on an article which is subsequently re-exported because it may consider the transaction to be of a retail character. No doubt town duty, as a rule, is not, as Mr. Pedder observes, levied on imports small in quantity; but it is seldom that private consumers up-country care to indent upon the Bombay merchant for a large number of cases of wines, spirits, or other goods, at one time, and as the same goods are again subject to the municipal duty levied by the town up-country into which they are imported, they have, when refunds are not claimable in Bombay, borne a double town duty, which, as a rule, falls heavily upon a class ill able to bear it.

With the view also of removing the injustice of existing limitations, and of abolishing the restrictions in respect of refunds of town duties paid on articles exported on different dates, which operate with even greater hardship, and for which the Municipality consider they have the sanction of law, the Chamber begs to recommend that the following clause be added to the section in the new Bill relating to refunds corresponding with Section 120 of the present Act :—" Refunds amounting in all to rupees two or " upwards shall be claimable on goods, whether of the same " or different descriptions, exported on the same date, or " on different dates during thirty days from the date of the " first exportation, and whether consigned to the same or " different persons or places." It is of great importance

that the powers of the Municipality with respect to refunds should be distinctly defined in the Act, and not left, as in several respects they are at present, to the discretion of the Town Council. The Chamber's remonstrances with that body in regard to their restrictions on the granting of refunds have never been attended with success; and it is natural that the Bombay, like other municipalities, should desire to increase their revenue by imposing upon others the burdens which should fall upon themselves. Under the Municipal Bye-law, published in the *Government Gazette* of the 4th January 1872, it was ruled that no refund of town duty should be made upon goods exported from Bombay *on different dates*, unless the amount of refund claimed or claimable upon each parcel of goods so despatched on different dates amounted to Rs. 10 or upwards. The duties so levied operated as a heavy transit duty, particularly in the case of wine merchants, whose exportations were of almost daily occurrence. As no wines are made in Bombay, it was obvious that all wines on being imported must have paid town duty, and were therefore entitled to refund on being re-exported. Yet, unless the town duties paid amounted to Rs. 10 on one day's exportation, no claim was admitted, no matter whether the wine exported was of the same description, or of the same parcel, or consigned to the same party. The hardship and injustice of this rule were, in October 1875, submitted to the Municipal Commissioner by the Chamber, which, in consequence of representations made to it, pointed out to him at the same time that there was nothing in the Bombay Municipal Act which prevented refunds on exportations made on different days from having cumulative effect. In reply to this communication, the Municipal Commissioner was good enough to forward to the Chamber copies of a report thereon by the Traffic Manager of the Port Trust Bunders, who also collects the town duties of the Municipality, and of the case and opinion of counsel therein referred to. This correspondence is appended hereto for His Excellency's information. Section 120 of the Bombay Municipal Act of 1872, in respect to the limit of refund claimable, is, it will be observed, identical with Section 9 of Bombay Act IV of 1869, referred to in the case submitted; but Mr. Green's opinion is important as showing the necessity for amending the Act, as far as it relates to the granting of refunds, and the Chamber earnestly hopes that

in the amendment His Excellency will give effect to the recommendations of the Chamber.

The extent to which this system of withholding refunds of town duties paid is carried by the Bombay Municipality may be gathered from Mr. Ryan's report of the 2nd December 1875, in the correspondence appended hereto. In para. 3 he states that, in his opinion, if the minimum amount of refund claimable were reduced from Rs. 10 to Rs. 4, the Municipality would lose more than half of their income from town dues. The Chamber has no means of checking the accuracy of this statement, but there is no person more competent than Mr. Ryan to judge of what the probable effect of this reduction would be. Now in the Budget just issued by the Town Council, the estimated income from town duties in 1878 is Rupees 5,62,000 and the cost of collection Rs. 28,300, leaving a net income of Rs. 5,33,700, half of which is Rs. 2,66,850. The Chamber suggested that the limit of refund claimable should be reduced from the admittedly excessive sum of Rs. 10 to Rs. 4, but it is now doubtful if this reduction would not still give much too high a limit. On the principle laid down by the Government of India, no municipality should derive any income from withholding, or limiting, or restricting in any way, the payment of refunds, if it is apparent that the town duties claimed have been paid; and it appears to the Chamber that the only ground on which it can reasonably be sought to justify the fixing of any limit whatever of refunds claimable is that the Municipality are entitled to compensation sufficient, however, merely to cover the cost of collecting the town duties of which refunds are claimed, and of investigating such claims. And with reference to any representations which may be made to Government as to the consequent loss of revenue, the Chamber desires the favour of His Excellency's attention to paragraph 26 of the Government of India's letter of September 1877, which is as follows :—"Such being the orders issued, and with such "results, the Governor-General in Council would now "request all local Governments and Administrations to "take early steps to alter octroi taxation in towns where "such taxation transgresses against the acknowledged "principles. Should this measure result in a serious fall-"ing of in municipal revenue, it will be for local Govern-"ments to decide whether it may not be desirable to com-

" bine direct with indirect taxation, or to enhance the rates " on articles of consumption."

Rules relating to refunds should be sanctioned by Government.

Section 9 of Bombay Act IV. of 1869 contained the following provision :—" When any " of the goods upon which Town " Duties shall have been paid shall " be re-exported, the full amount " of town duties shall, under such rules as the Municipal " Commissioner, *with the sanction of the Government* shall " from time to time notify, be repaid as refund," &c. But in section 120 of the Municipal Act No. III. of 1872, the words " with the sanction of the Government" were omitted. The Chamber respectfully suggests that as these rules are framed in the interest of the municipal revenue, Government should, as a safeguard against hardship or oppression, resume the right of sanctioning all rules under which refunds are granted, and should also possess the power of revoking its sanction and of cancelling all or any of such rules, and that a clause to that effect should be inserted in the section of the new Act which relates to the granting of refunds. The stringent and illiberal rules with respect to the granting of refunds enforced by many of the municipalities in the Mofussil of this Presidency have, as the Chamber pointed out in its letter to Government, dated 26th October 1875, above referred to, practically converted the town duties levied by them into transit duties, and measures should be taken to prevent any such rules from being adopted by the Municipality of Bombay. A great and unnecessary source of hardship and inconvenience lies in the restriction which requires persons entitled to refund to establish the identity of the goods with those which have paid town duty whether the goods have or have not broken bulk. On this point Mr. Pedder, in paragraphs 46 and 47 of his letter No. 602, of the 26th January 1875, above referred to, remarked as follows :—" The island of Bombay " itself produces, with an insignificant exception, none of " the articles liable to Town Duty. As all bulky goods are " imported either by sea or by railway, and are consequent- " ly subject to examination either by the railway officials, " to ascertain that the Railway Companies are not defrauded " or by the officers of the Imperial Customs and Port " Trust, as well as to the scrutiny of the establishment for " collection of Town Duties, while the amount of the Town " Duty is not high enough to make it worth while to run

"any risk in order to evade it, the risk of smuggling is "quite inappreciable. And, at present at least, most of the "articles liable to Town Duty are not likely to be increased "in bulk by such processes of manufacture as I have referred "to above. I would therefore, as a general rule, annul all "the restrictions which require that the identity of the "parcels on which refund is claimed with those that have "paid Town Duty shall be established, and all restrictions "on goods breaking bulk; would act on the assumption that "all dutiable exported goods must have paid Town Duty; "would therefore give refund on all dutiable goods on a mere "certificate of export, if produced within fifteen days of "exportation; and would reduce the minimum amount "claimable as refund to Rs. 5." The identification of goods is thus clearly admitted to be unnecessary in Bombay. Yet the Municipal Bye-law requiring it is still enforced, and is proposed to be continued in the new Bye-laws, as will be observed from para. (e) of Rule I. in the section relating to Refunds, though it is impossible in numerous cases, particularly where the goods have broken bulk, to establish their identity. The views of the Government of India on the point of identity are very explicitly stated in para. 24 of the letter dated Simla, September 1877 :—"Re-"garding this matter of identification, the Government of "India are disposed to think that need for it hardly "exists. If a merchant exports goods, such as sugar, "grain, or cloth, which could not have been made, or "which could not have grown in the Town, it is clear that "duty must have been paid on their entry: and while it "may be a question as to whether the importer or exporter "should receive the refund, it is clear enough that the "Municipality should not retain it."

An illustration of the hardship with which such rules can be made to operate is found in the practice adopted with reference to the granting of refunds on re-exported Tobacco. In addition to the Imperial Customs Duty of 10 per cent. *ad valorem*, this article is, under Act IV. of 1857 of the Legislative Council of India, subject to a municipal duty of Rs. 7½ per maund of 82 lbs., which on the lower and cheaper kinds is equivalent to about 20 per cent. of their value. Like other municipal duties, this duty was intended by the Legislature to be levied only on tobacco consumed in the town, the whole of the duty being, under Section 4 of the Act, remitted when the tobacco is re-exported to any place

beyond the limits thereof. But the original case, or at any rate the whole contents repacked before leaving the Bonded Warehouse, must be despatched before the remission of duty is allowed; nor is it permitted to open a case and obtain exemption from municipal duty for a portion forwarded to places out of Bombay, a restriction which falls heavily upon retail traders, who cannot export an assorted parcel of tobacco without paying the special municipal duty of Rs. 7½ per maund of 82lbs. The Chamber's representation on this subject, dated 30th November 1874, to the Government of India, was submitted to Mr. Pedder, who, in para. 48 of his letter of the 26th January 1875, above referred to, gave the following opinion on the point:—"Tobacco is not pro-"duced, or, at present, adulterated in Bombay, and there "is no fear of its being smuggled to any appreciable extent. "There is, therefore, I think, no objection to such a relaxa-"tion of the existing law as shall permit assorted parcels of "tobacco which have broken bulk to be removed from the "Bonded Warehouse for exportation. The merchant "would, of course, remain liable for the duty till he pro-"duced a certificate of exportation." In spite, however, of this opinion of the Municipal Commissioner, and of the distinct wording in the Act, no relaxation has yet been made in the restriction imposed in granting refunds on tobacco.

In conclusion, the Chamber directs me respectfully to express its earnest hope that these suggestions will receive the careful consideration of His Excellency the Governor in Council, and that the sections in the new Act, which relate to the levying of Town Duties, and refunds of Town Duties paid, shall be made to conform to the principles and rules of municipal taxation laid down by the Government of India in its Resolutions of November 1868 and September 1877.—I have, &c.

J. GORDON, Secretary.
W. LANG, Chairman.

APPENDIX.

No. 6845 of 1875.

BOMBAY, 15*th December* 1875.

From the MUNICIPAL COMMISSIONER, to the SECRETARY, CHAMBER of COMMERCE.

SIR,—With reference to your letter, dated the 11th October last, I have the honour to forward herewith copy of the report made by

the Traffic Manager, Port Trust Bunders, together with a copy of Counsel Green's (now the Hon'ble Mr. Justice Green) opinion on the case in June 1871, and to inform you that the Bye-law quoted by you in your letter under reply does not appear to have been sanctioned by the Corporation or by Government.

The whole correspondence on the subject will now be placed before the Town Council, which is engaged in considering the Municipal Act.—I have, &c.

H. E. JACOMB, Municipal Commissioner.

No. 288 OF 1875.

CARNAC BUNDER, *2nd December* 1875.

H. E. JACOMB, ESQ., Acting Municipal Commissioner, Bombay.

SIR,—With reference to the letter of the Secretary to the Chamber of Commerce, dated 11th October last (herewith returned), I have the honor to state as follows :—1st. When this department took over charge of the Town Duties, the Commissioner, Mr. Crawford, found it necessary to obtain opinion as to whether refund may be granted on separate Railway certificates, on each of which the refund is less than Rs. 10, the matter having been referred by him to Counsel Green (now the Hon'ble Mr. Justice Green), who gave his opinion (dated 23rd June 1871) that separate receipts having one date, if handed over by exporters to importers, the latter are enabled to claim by adding up the bags, and making one application for Rs. 10 or upwards, this department has been acting under that opinion ever since.

2nd. As to the concession to be allowed to add daily exportations of goods at the end of each month, and to make one application for refund, without reference to marks or description of goods, if agreed to, would considerably enlarge the refund work (which is heavy enough already) and require greater supervision.

3rd. With regard to the reduction in the minimum amount from Rs. 10 to Rs. 4, I am of opinion that in addition to extra supervision and increase of work, the Municipality will have to lose more than one-half of their income from Town Dues in the event of the Chamber's proposition being carried out.

4th. The limit of six months was fixed at a meeting of which General Marriott was President, when this point was discussed at length, and it was decided, that with a view to meet the expenses of keeping a Fire Brigade for the protection of merchant's goods stored in warehouses in the Native Town and on Bunders from fire, and for the general preservation of the City, refund should be barred on goods remaining in Bombay six months after their importation. The Custom's Department allow two years for goods exported subject to drawback. This, however, is a matter for consideration of the Municipal Commissioner and the Town Council.—I have, &c.,

JOHN RYAN, Traffic Manager, B. P. T. B.

(True Copy.)

H. E. JACOMB, Municipal Commissioner.

CASE.

Section IX. of (Bombay) Act IV. of 1869, "An Act for the levy of Town Duties within the City of Bombay," provides that:—
"When any of the goods upon which Town Duties shall have been "paid shall be re-exported, the full amount of Town Duties shall "under such rules as the Municipal Commissioner with the sanc- "tion of the Government shall from time to time notify, be repaid "as refund, provided that application for such refund shall be "made within one month of the date of exportation; and provided "that no refund be claimable of less amount than ten rupees."

At the debate in the Legislative Council on the 8th February 1869, when the Act now in force was under discussion, the question of refunds was particularly considered, Mr. Ellis remarking "that "it would probably in many cases not be worth the trouble for "people to go through the inconvenience of getting the refund."

On the proposition of the Honorable Mr. Ellis, that the following words be added to the (new) section "and provided that no refund "be claimable of less amount than ten rupees," the Council divided, when there was only one dissentient to the new clause.

At present the dealers claim the right of making up the minimum of ten rupees by adding together two or three different parcels of goods, by which the clause in question becomes to some extent inoperative, notwithstanding that the intention of the framers of the Act appears to have been that *each* refund should be of the *bonâ fide* value of ten rupees and upwards.

Other questions as to the admissibility of claims for refund often arise, as counsel will gather from the accompanying copy of letter from the Traffic Manager, Government Bunders, to the Municipal Commissioner.

Counsel is therefore requested to advise on behalf of the Municipality—

1*st*. Whether the words in Section 9 of Act IV. of 1869, "*and provided that no refund be claimable of less amount than ten rupees*," can be taken to mean that dealers shall be allowed to claim refund on a *number* of *small* packages aggregating ten rupees, and in some cases, which are sent out of Bombay on *different dates*.

2*nd*. Whether in the following cases claims for refund are admissible:—

(*a*) A quantity of goods arriving in one vessel bearing the same mark and upon which Town Duty has been paid by one importer are sold by such importer to two different parties, who export the same from Bombay upon the same date, receiving separate Railway receipts, which are made over to the importer, who is enabled by claiming upon the goods despatched by both parties to make his application amount to more than the lowest limit of ten rupees.

(*b*) Goods are imported by a person who despatched portions of the same out of Bombay upon different dates, the quantity exported upon each day being insufficient to entitle the holder of the Bill to any refund, but the

quantities exported on the different days being added together making up the amount.

(c) Goods are imported by a merchant and exported by him in different vessels to the same port, the goods despatched on each day not entitling him to refund unless the quantities sent in different vessels are added together.

And, lastly, to advise generally on the subject.

OPINION.

1. The section is not by any means clearly worded. In my opinion, if the export is on the same day, and can reasonably be deemed to be one export, the fact that the goods are divided into smaller packages does not affect the right to a refund if the duty paid on the goods so distributed amounts to Rs. 10. But I think that the right to a refund does not exist, if the smaller packages are exported on different dates, and the duty paid in respect of each export does not amount to Rs. 10.

2. In case (*a*) I think the export is one and the same, though the goods may have become the property of different persons, and the right to refund exists in the person producing the Railway receipts for goods exported on the same date when the duty paid on such goods amounts to Rs. 10.

(*b*) In this case in my opinion the right to refund does not arise.

(*c*) In this case also, though with more doubt, I am of opinion that the right to refund does not arise.

The only general observation which occurs is, that it would be desirable to get the Act amended, so as to obviate the doubts which have arisen.

23rd June 1871. J. PHILIP GREEN.

(True Copy)

H. E. JACOMB, Municipal Commissioner.

No. 230 OF 1877.

BOMBAY CHAMBER OF COMMERCE, *28th December* 1877.

The MUNICIPAL COMMISSIONER, Bombay.

SIR,—In the Budget Estimates of Income prepared by the Town Council for 1878, Rs. 5,62,000 is entered as the probable amount that will be derived from town duties.

The Committee of the Chamber of Commerce desire me to ask you if you will kindly supply the Chamber with further particulars shewing the articles (with the rate and the total amount of duty expected on each) on which this sum of Rs. 5,62,000 is to be raised.—I have, &c.,

J. GORDON, Secretary.

No. 25 of 1878.

Bombay, 5*th January* 1878.

From the Chief Accountant and Auditor, Bombay Municipality, to J. Gordon, Esq., Secretary, Chamber of Commerce, Bombay.

Sir,—With reference to your letter, dated 28th ultimo, to the address of the Municipal Commissioner, I have the honor to forward the accompanying statement, showing the details of the Budget Estimate of Town Duty for 1878.—I have, &c.,

SORABJEE NAVAROJEE COOPER,
Chief Accountant.

STATEMENT showing the probable amount of Revenue to be derived on the undermentioned Goods liable to "Town Duty" from 1st January to 31st December 1878.

Description of Goods.	Rate.	Total.		Less Refund.		Net.	
		Quantity.	Amount.	Quantity.	Amount.	Quantity.	Amount.
Grain of all sorts...	4 ans. per Candy ...	7,67,692	1,91,923	2,80,000	70,000	4,87,692	1,21,923
Metals (except Gold and Silver Iron and Steel)...	1 per cent. on value ...	55,64,500	55,645	22,00,000	22,000	33,64,500	33,645
Wines and Spirits...	4 ans. per Imp. Gallon...	8,48,904	2,12,226	1,28,000	32,000	2,20,904	180,226
Beer and Porter	½ Do. ...	4,69,184	14,662	48,000	1,500	4,21,184	13,162
Sugar including Molasses, &c. ...	1½ per cent. (on value.)..	86,27,201	1,29,408	43,33,333	65,000	42,93,868	64,408
Ghee.	6 ans. per maund ... (Bombay Maund).	2,59,178	97,192	26,666	10,000	2,32,512	87,192
Timber (excluding Railway Sleepers).	2½ per cent. (on value) ..	27,77,760	69,444	3,20,000	8,000	24,57,760	61,444
			7,70,500		2,08,500		5,62,000

SORABJEE NAVAROJEE COOPER,
Chief Accountant.

PROCEEDINGS OF THE LEGISLATIVE DEPARTMENT, BOMBAY.

Abstract of the Proceedings of the Council of the Governor of Bombay assembled for the purpose of making Laws and Regulations under the provisions of "The Indian Councils Act, 1861."

The Council met at Bombay on Friday, the 8th February 1877, at noon.

Present :—

His Excellency the Honourable Sir Richard Temple, Bart., G.C.S.I., Governor of Bombay, Presiding.
The Hon. J. Gibbs.
The Hon. L. R. Ashburner, C.S.I.
The Hon. The Advocate General.
The Hon. E. W. Ravenscroft, C.S.I.
The Hon. Nacoda Mahomed Ali Rogay.
The Hon. Colonel W. C. Anderson.
The Hon. Walter Lang.
The Hon. Dossabhoy Framjee, C.S.I.

The following papers were presented to the Council :—

THE BOMBAY MUNICIPAL ACT AMENDMENT BILL FURTHER CONSIDERED IN DETAIL.

The Honourable Mr. GIBBS moved that the following para. be substituted for the second para. of section 1 of the Bombay Municipal Act Amendment Bill, No. 6 of 1877, viz., "so much of this Act as relates to any rate or tax leviable by the Corporation, other than town duties, shall be deemed to have come into force on the 1st day of January 1878; the rest of this Act shall come into force on the passing thereof." Mr. Gibbs said that the amendment was necessary, so that the Corporation might get out their bills and assessment lists correctly.

The amendment was adopted.

The Honourable Mr. GIBBS next proposed that the words "or to mounted officers of volunteer corps" should be struck out from lines 34 and 35 of Section 33. The Honourable Mover said :—These cases were already provided for in Section 25 of Act XX. of 1869, the Volunteers Act, in which it was provided that every mounted officer of volunteers may keep one horse without paying municipal or other tax.

The amendment was adopted.

The Honourable Mr. LANG moved the following amendments to Section 120, viz. :—

That after the words 'Town Council' in the sixth line, the words 'and of Government' be inserted.

That for the words 'within six months' in the eighth line, the words 'within two years' be substituted.

That the words 'or in the case of timber twelve months' be omitted.

That for the word 'five' in the last line, the word 'two' be substituted.

That the following words be added to the section :—

'Refunds amounting in all to rupees two or upwards shall be

claimable on goods, whether of the same or different descriptions, exported on the same date or on different dates, during one month from date of first exportation, and whether consigned to the same or different persons or places.' Mr. Lang said :—The reason for the first of these amendments is that the Municipality have not shown themselves very ready to follow the instructions laid down by the Government of India regarding the assessment and levying of town duties ; nor had the local Government been very careful hitherto to see that the instructions of the Government of India were carried out, and though I hope the reiterated instructions of the Government of India will cause the local Government to give greater attention to the matter, the insertion of this provision in the Act will be a safeguard and enable the Government to interfere. The second amendment is to carry out the principle that people who import goods and pay town duties shall have every facility granted them to obtain refunds. A great many people who import goods into Bombay are not able to sell them within six months, and it is unfair that they should suffer in consequence. The amendment regarding timber is in accordance with the views expressed by Mr. Pedder on the subject. I think it is right that we should exclude everything at all objectionable in the way of town duties, and I intend to move subsequently that timber be omitted altogether from the schedule. I do not think it is necessary for me to recapitulate all the arguments on the matter, because they are fully stated in the letter which the Chamber of Commerce sent to Government. With regard to the fourth amendment, I think the amount of Rs. 5 is very excessive, and will prevent refunds being obtained on many articles altogether, unless they are bought and sent out of Bombay in large quantities. For instance, wines and spirits pay about 4 annas a gallon, and there will have to be sent up-country a very large number of cases before the sender can get a refund to the amount of five rupees. I may mention that the Government of India, in one of their letters on the subject of Municipal taxation, referred to this very question of the minimum rate at which refunds should be granted, and instanced the Municipalities of the Central Provinces. From enquiries since made, I find from a letter received from Mr. Neill, Assistant Secretary, that the minimum refund in the Central Provinces has been generally fixed at Rs. 2 and in only a few cases on special grounds at Rs. 5. The general principle is Rs. 2, and I think that Bombay should adopt the same principle as the Central Provinces, which has been approved by the Government of India. Our object should be to give all the refunds we can. If the Municipal revenue suffer, it is for the Municipality to find out some more equitable means of taxation to make up the loss.

The Honourable Mr. DOSSABHOY FRAMJI :—I am strongly opposed to this motion of the Honourable Mr. Lang, and especially to the proposal to lower the amount, for which refunds shall be given from Rs. 5 to Rs. 2. Thanks to the enlightened views of the Town Council and the Municipal Corporation, the town duties are now levied in our city in such a manner that it cannot be said that they operate as transit duties. The Town Council has done everything in its power to meet the views of the Chamber of Commerce, and, on the suggestion of Mr. Pedder, made rules by which the levy of

the town duties has been almost entirely divested of its objectionable features. I will quote figures to show the extent to which we have gone. The annual gross collections on account of town duties vary from six to eight lakhs of rupees; while the refunds in each of the last seven years have increased as follows:—1870—Rs. 15,316, 1871—Rs. 42,232, 1872—Rs. 51,436, 1873—Rs 54,397, 1874—Rs. 1,00,316, 1875—Rs. 1,45 488, 1876—Rs. 1,90,770, and 1877—Rs. 2,04,965. Now if we were to accept the motion of the Honourable Mr. Lang, the revenue of the Municipality from town duties will be so much reduced, as to render it necessary to find other sources of income to make up the heavy loss. At a time when the Corporation has resolved upon carrying out a drainage scheme for the city,—when a considerable addition to its already heavy liabilities is almost immediately expected,—it would be most inexpedient, if not unwise, to do anything which is likely to reduce its income. The city is already heavily taxed for municipal purposes, and further taxation in any shape will be something like the proverbial last straw which breaks the camel's back. The Select Committee has already reduced the limit of refunds to Rs. 5, and in my opinion it would be very injudicious to go any lower. I may add that the Municipal rules in respect of these refunds are more liberal than those of Government in respect to Customs duties. The Government refund on goods re-exported is only seven-eighths of the duty paid; whereas the Municipality refunds the whole of the amount, and takes nothing for all the advantages and protection which such goods enjoy during the long time they remain in this city before they are re-exported.

The Honourable Mr. GIBBS:—I was aware that Mr. Dossabhoy has devoted a great deal of time and trouble to the consideration of this matter, and I am glad he has taken the opportunity to speak as he has done. The letter of the Chamber of Commerce was, I am informed, very carefully considered by the Town Council, on which, as is well known, there were then many gentlemen whose views are very much, if not entirely, in accordance with those of the Chamber of Commerce. The reason why the Select Committee did not make any of the alterations suggested, was that the Town Council did not recommend any such alterations, I believe because they considered they were not necessary, and that some of them, if not all, would be calculated to entail a very great amount of additional labour and cost without very much advantage being obtained. It was on these grounds that the Select Committee came to the conclusion that the Town Council acted wisely in not recommending any of the alterations which are now proposed. I think I may add to what the Honourable Mr. Dossabhoy has said, that to liken Bombay to the Central Provinces is hardly fair. The amount of wines and spirits that come within the jurisdiction of Municipalities in the Central Provinces must be, comparatively speaking, extremely small, while the consumption of Bombay is decidedly very much larger than in those places. I do not think therefore the comparison is a good one. The Select Committee, after very careful consideration, have fixed the limit at Rs. 5, which I believe is just half what it is under the present law. I am not able to accept the proposals of the

Honourable Mr. Lang with regard to that, nor with regard to the other amendments he has proposed. As far as timber is concerned the Select Committee were of opinion that, considering the enormous quantity of timber used in Bombay, compared with the quantity made up into carriages, &c., and exported, there is no necessity for making the exception which has been suggested. With regard to the first amendment moved by Mr. Lang, viz., that the words "and of Government" be inserted in the 6th line, I have no objection to that being adopted. I do not suppose that any differences of opinion are likely to arise between the Town Council and Government on the point; and if it would be a satisfaction to the mercantile community, and as the Chamber of Commerce has recommended the insertion of the words, I do not object to their being inserted. With regard to all the other amendments, their adoption would only cause a great deal of labour and trouble, and would not be satisfactory.

The Honourable Mr. LANG:—It is quite true that any system of refunds must entail a certain amount of additional labour and trouble. But as long as town duties are collected there must be a system of refunds, and it is clearly for the Government, now that they are remodelling this system of taxation throughout the Presidency, to take care—especially in Bombay, which should set an example to other Municipalities—that the refunds shall be as liberal as possible. We have the distinct orders of the Government of India to that effect. The Honourable Mr. Dossabhoy has stated that great improvements have been made within the last few years. I do not deny that improvements have been made, but that is no reason why greater improvements should not be made now. I have no doubt that it is somewhat unpleasant for the Municipality to lose some portion of its revenue, but on that point also the orders of the Government of India are perfectly distinct. I will just quote a short passage from the Government of India's letter of September 1877. They there say:—"Such being the orders issued, and with such results, the Governor-General in Council would now request all local Governments and Administrations to take early steps to alter octroi taxation in towns, where such taxation transgresses against the acknowledged principles. Should this measure result in a serious falling off in municipal revenue, it will be for local Governments to decide whether it may not be desirable to combine direct with indirect taxation, or to enhance the rates on articles of consumption." It appears to me to be clearly laid down that this system of taxation should be as liberal as possible, and the sooner we set about making it more liberal the better. I think there is nothing in the arguments of the Honourable Mr. Dossabhoy or the Honourable Mr. Gibbs to show that it is not most desirable, and in accordance with the wishes of the Government of India that town duties should be refunded when goods are exported from Bombay. As to its being unfair to liken Bombay to the small towns of the Central Provinces, I think that Bombay should set a good example to other Municipalities, and be in advance of them. Up-country Municipalities have not the same amount of popular representation that the Bombay Municipality has; in fact, most of them consist almost

entirely of Government officials, of Government nominees, and the independent members have no opportunity of making their views known, or of carrying them out. I have had experience of the Kurrachee Municipality for several years; and I know that in this respect they are very much behind Bombay; and I know that unless liberal measures as regards refunds are inaugurated in Bombay there was much less probability of their ever being adopted by up-country Municipalities.

The amendments were then put to the vote. The first was carried, and the 120th section was accordingly amended by the insertion of the words "and of Government" after the words "Town Council"

The remainder of the amendments proposed by the Honourable Mr. Lang to this section were all lost.

The Honourable Mr. LANG further moved that the words 'timber excluding railway sleepers—2½ per cent. on market value'—be struck out from Schedule B.

The Honourable Mr. GIBBS:—I oppose this amendment. Considering the very large amount of timber consumed in Bombay, particularly owing to the way in which the native builders build their houses, it seems to me a most proper article for municipal revenue to be levied on.

The Honourable Mr. LANG:—I may mention that this was one of Mr. Pedder's recommendations when he was Municipal Commissioner of Bombay, because the duty on timber practically amounts to a tax on contractors in Bombay. When timber is cut up for contractors' work, and is afterwards exported, it is quite impossible to obtain any refund on it.

The amendment was lost.

On the motion of the Honourable Mr. GIBBS, the Bill was then read a third time and passed.

BOMBAY CHAMBER of COMMERCE, *28th March* 1878.

The CHIEF SECRETARY to GOVERNMENT, Bombay.

SIR,—I am directed by the Committee of the Chamber of Commerce to enclose the Memorial of the Chamber to His Excellency the Viceroy and Governor-General, praying that His Excellency will, for the reasons stated, withhold his assent from the Bombay Bill No. 6 of 1877, and respectfully to request that His Excellency the Governor in Council will, at his early convenience, be so good as to transmit the same to His Excellency the Viceroy.—I have, &c.,

J. GORDON, Secretary.

To His Excellency the Right Honourable LORD LYTTON, G.M.S.I., Viceroy and Governor-General of India.

The Memorial of the Bombay Chamber of Commerce.

RESPECFULLY SHEWETH,—That the Bombay Bill No. 6 of 1877, entitled "A Bill to amend the Bombay Municipal Act of 1872, and to continue the same as so amended," has passed through all the stages in the Legislative Council of the Governor of Bombay, and will come before your Excellency for sanction.

That by this new Bill, the several articles in respect of which Town Duties shall be leviable, in addition to any Custom Duties prescribed by law, are, in the Schedule attached to the Bill, declared to be as follows :—

		Rs. a. p.
Grain of all sorts	per Candy	0 4 0
Wines and Spirits	per Gallon	0 4 0
Beer	per Gallon	0 0 6
Sugar, including Molasses and Goor	1½ per cent. on Tariff value.	
Ghee	per Bombay maund	0 10 0
Timber, excluding Railway Sleepers	2½ per cent. on Market value.	
Firewood	per Candy	0 2 0

and that, in the new Bill, the section relating to the granting of refunds, which corresponds with Section 120. of the Bombay Municipal Act No. III. of 1872, runs as follows :—"When any of the articles upon which Town "Duties shall have been paid shall be exported, the full "amount of Town Duties shall, under such rules as the "Commissioner, with the sanction of the Town Council, and "of Government, from time to time notify, be repaid as "refund, provided that the articles be exported within six "months, or in the case of Timber twelve months, from "the date of importation, and that application for such "refunds be made within one month from the date of ex-"portation, and provided also that no refund be claimable "of less amount than five Rupees."

That by these amendments, metals and jagree, from which the Bombay Municipality derived an annual revenue of Rs. 37,848, and of Rs. 11,000, respectively, have been struck out of the list of articles on which Town Duties have hitherto been leviable, and that the article "firewood," from which it is estimated that the Municipality will derive an annual revenue of nearly one lakh of rupees, has been inserted. And that, with respect to the granting of

refunds, the time within which a refund may be claimable on timber re-exported has been extended from six to twelve months, and the minimum limit of refund claimable reduced from ten rupees to five rupees.

That while the importance of these modifications, so far as they go, is admitted, they are far from affording relief to the numerous interests which are unjustly taxed for the benefit of the Bombay Municipality, and the Chamber protests against the amended sections, not only as being still injurious to trade, but opposed to the principles and rules of municipal taxation, and to the distinct orders of the Government of India, prescribed in its Resolution of the 6th of November 1868, and reaffirmed on the 6th of January 1871, and again in the letter addressed by the Government of India to subordinate Governments, dated Simla, September 1877.

That when the amended Bill was before the Legislative Council of His Excellency the Governor of Bombay, the Chamber of Commerce addressed, on the 18th of December 1877, a letter to His Excellency praying, that the sections in the new Bill which related to the levying of Town Duties, and refunds of Town Duties paid, should be made to conform to the principles and rules of municipal taxation prescribed by the Government of India in its Resolutions above mentioned; but none of the suggestions made by the Chamber were adopted, with the exception of the comparatively unimportant one that Government should resume the right of sanctioning the rules for the granting of refunds. A copy of that letter is appended hereto for your Excellency's information.

That although in the list of articles in respect of which Town Duties are by the new Bill leviable, several, such as wines and spirits, beer, and sugar, are liable to Customs duty, and should therefore under the orders of the Government of India be exempt from municipal taxation, yet the Chamber prayed that only the article "timber" should be omitted from the list, as being an article which, although used in the construction of buildings, enters largely into the general commerce of the country, and is extensively used in manufactures. The quantity of timber, not including firewood, imported into Bombay by sea, in the official year 1876-77, was 26,331 tons, valued at Rs. 12,80,000, and the quantity exported by sea was 2,528 tons, valued at Rs. 1,91,935. The value of local manu-

factured cabinet-ware, furniture, carts, &c., exported by sea, in the same year, was valued at Rs. 2,10,489. The quantity of timber, not including firewood, exported from Bombay, by railway, in the year ending 31st December 1877, was 4,410 tons, the imports by rail being only 383 tons. Neither the value of the timber nor the quantity or value of the cabinet-ware, furniture, carts, &c., exported by railway is, we regret to say, obtainable. It will, however, be apparent from these figures that timber is used largely to make up into manufactured articles in Bombay, and then exported, and as it is impossible to grant refunds on these articles, the Town Duty on timber operates, to a considerable extent, not on the consumption of Bombay, but on her manufactures. The annual revenue derived by the Municipality from Town Duties on timber amounts to about Rs. 41,000.

That if "timber" had been omitted from the list of articles on which Town Duties are by the new Bill authorized to be leviable, the Municipality would still be a gainer by the alterations in respect thereof which the new Bill sanctions, as will be seen from the following statement :—

Estimated gain to the Municipality by the insertion of firewood in the list of articles subject to Town Duty				Rs. 1,00,000
Deduct Estimated Loss by the omission of Metals ...	Rs.	37,848		
Do.	do.	Jagree ...	„	11,000
Do.	do.	Timber...	„	41,000
				89,848
Estimated gain...			Rs.	10,152

That with respect to refunds of Town Duties paid on articles which are subsequently exported, the following is the rule laid down by the Government of India in para. 25 of the Resolution of 6th November 1868 :—"No Town Duty "or cess under any name shall be levied excepting on things "brought into a town for actual use or consumption therein. "No such duty shall be levied on goods which, being "brought into a town, shall be again exported, even though "such goods shall have changed owners in the town. On "the exportation of dutiable goods, the exporter shall be "entitled to a refund of the amount of duty proved to have "been paid on the import of those goods; a minimum sum "below which no refund shall be so claimable being fixed "with the approval of the local Government." In para. 11 of the letter from the Government of India to subordinate Governments, dated Simla September 1877, the limit

of Rs. 10 on which duties levied by the Nagpore Municipality should be claimable was considered to be undoubtedly too high; and in para. 24 the same Government notices with approval that in the Central Provinces the Chief Commissioner had arranged that the minimum limit below which refunds should not be granted should be very low indeed. This minimum limit, your Memorialists have learned from the Chief Commissioner, has been generally fixed at Rs. 2.

That although in the new Bill the minimum limit below which a refund should not be claimable has been reduced from Rs. 10 to Rs. 5 yet your Memorialists respectfully protest against the reduced limit as being still much too high. They desire to urge that the minimum limit should be fixed at Rs. 2, and, further, that refunds amounting to Rs. 2 and upwards should be claimable on goods whether of the same or different descriptions, exported on the same or on different dates during 30 days from the date of the first exportation, and whether consigned to the same or different persons or places. By Section 40, moreover, of the new Bill, the provision under Section 120 of the existing law, Bombay Act No. III. of 1872, limiting the granting of refunds to articles exported within six months from the date of importation is re-enacted, with the exception of refunds on timber, the time for granting which is extended to 12 months. These limitations, your Memorialists submit, should be repealed, or, if your Excellency considers it desirable that some limit should be fixed, that the period within which a refund may be claimable should be extended to at least two years from the date of the importation of the article.

The complaints made to the Chamber of Commerce of the restrictions and limitations imposed by the Bombay Municipality on the granting of refunds induced your Memorialists, on the 11th of October 1875, to suggest to that body that the minimum limit should be reduced from Rs. 10 to Rs. 4 only, but the Chamber was at that time in ignorance of the effect of the Bombay Municipal system until its extended and mischievous operation was brought to light by the Collector of Town Duties in his letter No. 288, dated 2nd December 1875, which is appended hereto, and to which your Excellency's attention is respectfully desired. The very fact stated therein that if the Chamber's suggestio

that the limit should be reduced from Rs. 10 to Rs. 4, would, if adopted, deprive the Bombay Municipality of more than one-half of their income from Town Dues proved that the system of municipal taxation in the City of Bombay was indefensible, and in direct opposition to the principles and rules laid down by the Government of India.

When the new Bill was before the Legislative Council of the Governor of Bombay, amendments embodying the views of the Chamber of Commerce were proposed, but rejected on the following grounds :—(1) That, if they were accepted, the revenue of the Bombay Municipality from Town Duties would be so much reduced as to render it necessary to find other sources of income to make up the heavy loss ; and (2) That their adoption would cause a great deal of labour and trouble. In regard to the first of these objections, which were urged on behalf of the Municipality, your Memorialists need only remark that it is only natural that the Municipality should be unwilling to lose some portion of their revenue, more particularly a portion which is contributed by other people, but it is most desirable that Town Duties should be refunded when goods are exported from Bombay. The Government of India, foreseeing that the objection of loss of revenue would be raised by municipal bodies, has issued distinct orders on the point. Paragraph 26 of the letter of the Government of India to subordinate Governments, dated September last, runs as follows :—" Such being the orders " issued, and with such results, the Governor-General in " Council would now request all local Governments and " administrations to take early steps to alter octroi taxation " in towns, where such taxation transgresses against the " acknowledged principles. Should this measure result in " a serious falling off in municipal revenue, it will be for " local Governments to decide whether it may not be " desirable to combine direct with indirect taxation, or to " enhance the rates on articles of consumption." Your Memorialists consider that this plan would, if necessary, be less objectionable than the system which is now adopted, and they hope that steps will be taken to give effect to the orders issued by your Excellency in Council.

It is perhaps unnecessary to trouble your Excellency with any lengthened remarks on the second objection urged on behalf of the Bombay Municipality, for any system of

refunds must entail a certain amount of labour and trouble, and as long as Town Duties are collected, there must be a system of refunds. It is, however, of great importance that the measures as regards refunds should be as liberal as possible in Bombay, through which, as the chief port of Western India, so large a proportion of the export and import trade of the country passes, and, further, as the Government of India has resolved upon remodelling the system of municipal taxation throughout this Presidency, that the Bombay Municipality should set an example to other Municipalities, which do not enjoy the same degree of popular representation, and whose intelligence, wealth, and resources are infinitely less.

If the suggestions of the Chamber of Commerce were adopted, municipal taxation in this City, so far as it related to refunds, would be placed on a sound footing; it would be more in accordance with the rules of the Government of India, and your Memorialists regret that any deviation from these rules should have been permitted. On the principle that Town Duties should only be leviable on articles consumed in the town, a municipality is not entitled to withhold the payment of any portion of a Town Duty paid on an article subsequently exported, except perhaps so much only as would be sufficient to compensate them for the cost of collecting the duty and of investigating the claim.

For these reasons, your Memorialists earnestly request that your Excellency will withhold your assent from the proposed Bill until the following amendments are made in it, namely—

That the words "timber excluding railway sleepers—2½ per cent. on market value,"—be struck out from Schedule *B*, annexed to Bombay Act No. III. of 1872.

That for the words "within six months" in the sixth line of Section 120 of the same Act, the words "within two years" be substituted.

That for the word "ten" in the last line of the same Section the word "two" be substituted.

That the following words be added to the same Section:—"Refunds amounting in all to "rupees two or upwards shall be claimable on

"goods whether of the same or different de-
"scriptions, exported on the same date or on
"different dates, during one month from the
"date of the first exportation, and whether
"consigned to the same or different persons or
"places."

And that the Bill be sent back to the Legislative Council of His Excellency the Governor of Bombay to be amended accordingly.

And your Memorialists, as in duty bound, will ever pray,

For, and on behalf of, the Members of the Bombay Chamber of Commerce.

W. LANG, Chairman.
J. GORDON, Secretary.

Bombay, 27th March 1878.

APPENDIX C.

ON THE SYSTEM OF DISTRICT MUNICIPAL TAXATION IN THIS PRESIDENCY, AND THE EXPEDIENCY OF INTRODUCING INTO THE BOMBAY LEGISLATIVE COUNCIL AN AMENDED DISTRICT MUNICIPAL BILL.

BOMBAY CHAMBER OF COMMERCE, 14*th March* 1878.

To the CHIEF SECRETARY to GOVERNMENT, Bombay.

SIR,—I am directed to submit, for the consideration of His Excellency the Governor in Council, the following representation on the subject of the expediency of introducing, at an early date, into the Legislative Council of the Governor, a Bill to amend the Bombay District Municipal Act No. VI. of 1873, by abolishing the present objectionable mode of raising municipal revenue in the cities and towns of this Presidency, and inserting in the Bill provisions for placing municipal taxation in this Presidency on a sound footing in accordance with the orders of the Government of India.

The Chamber had the honour of addressing the Government of Bombay, on the 26th of October 1875, on the subject of district municipal taxation, and of submitting at the same time a statement shewing the revenues of a few of the more important of these municipalities, the amount of revenue which each derived from town duties, the principal articles of general commerce on which town duties were levied, and the rules and restrictions in respect to the granting of refunds which, in their operation, practically converted the town duties into transit duties. The Government of Sir Philip Wodehouse, however, so far from redressing the grievances complained of, gave a qualified approval to the system, and contented themselves with remarking that it had been the policy of the Government, in requiring municipal bodies to provide for the local management of the towns, to give them much latitude in determining from what sources their funds should be obtained, and that the great majority

of those bodies had a decided preference for octroi duties over house taxes and other forms of direct taxation. Another representation on the same subject was made to the same Government on the 28th of June 1876, but was equally unsuccessful. Copies of the correspondence are appended hereto for His Excellency's information.

From this correspondence, His Excellency will observe that all that the Chamber prayed for was that the system of municipal taxation in this Presidency should be made to conform to the principles and rules laid down by the Government of India in its Resolution of the 6th of November 1868. At the time, the Chamber was not aware of the orders of the Government of India of the 6th of January 1871, under which the following classes of commodities were, for the reasons stated, added to the list of articles subject by the Resolution of November 1868 to the levy of octroi duties, namely, (1) Piece-goods and other textile fabrics and manufactured articles of clothing and dress; (2) Metals and articles of metal; provided, however, that the duty on them did not exceed 1½ per cent. *ad valorem*. But in all other respects the rules prescribed in the Resolution of November 1868 were re-affirmed in January 1871, and again in the recent letter addressed by the Government of India to subordinate Governments in September 1877. And the Chamber now trusts that the necessary measures will, as soon as practicable, be taken by His Excellency to introduce and establish on an effectual and permanent footing, throughout the Presidency, the excellent system of municipal taxation therein laid down by the Government of India.

From the letter of the Government of India to the Government of Bombay, dated Simla, 16th November 1877, the Chamber has learned with much satisfaction that the Government of India, after enquiry into the complaints of the Chamber, considered that municipal taxation in several towns in the Bombay Presidency was not on a sound footing, and that rules with respect to the granting of refunds did exist which justified the objections entertained to them by the Chamber, and that they had issued the following orders :—(1) That, at Kurrachee, arrangements be made to prevent any duty whatever being levied, under the name of octroi or otherwise, on any portion of the grain or any other article exported, and that this order take effect after the 31st December 1877; (2) that, at Broach, the transit

duty of six annas on cotton carts, four annas on entry and two annas on exit, be abolished; (3) that, at Ahmedabad and Surat, the town duties on yarn, which were respectively Rs. 2 and Re. 1 per Indian maund, on yarn other than hand-spun, and Rs. 2-8 and Rs. 1-4 on dyed yarn, be discontinued altogether. I am directed respectfully to express the hope that instructions were duly issued by the Government of Bombay for the execution of these important orders.

These, however, were only a few of the more conspicuous instances pointed out by the Chamber of duties, under the name of octroi, levied contrary to the acknowledged principles. They were transit duties which were defeating the object of the Imperial Government in abolishing customs duties, or protective duties in favour of the cotton mills at Ahmedabad and Surat. But other instances, in forms equally objectionable, were discovered demanding no less urgently the attention of Government.

Under Rule I. of para. 25 of the Resolution of the 6th November 1868, the Government of India ordered that no town duty or cess under any name should be levied by any municipal body on any commodity not included in the following list, *viz.* :—

(1) Articles of food or drink for men or animals,
(2) Animals for slaughter,
(3) Articles used for fuel, for lighting, or for washing,
(4) Articles used in the construction of buildings,
(5) Drugs, gums, spices and perfumes,
(6) Tobacco,

and, under Rule III. of the same paragraph, that no such duty should be levied except on things brought into a town for actual use or consumption therein. To this list, piece-goods and metals were added by the Resolution of the 6th of January 1871. If town duties were confined to the articles here enumerated, and levied at moderate rates, they would, with liberal rules for the granting of refunds on re-exportation of the articles, fall on the consumption of the towns for whose benefit the imposts were levied, and the mercantile community would have little ground for complaint. But duties under the name of octroi are levied on almost every article which, whether intended for consumption, or sale, or for transmission to other places,

Town Duties levied on all articles.

enters the limits not only of those municipalities referred to in the Chamber's statement of the 26th October 1875, but, it has reason to believe, of nearly every city and town municipality throughout the Presidency. With the exception of piece-goods and metals, and of those articles specified in Rule II. of para. 25 of the Resolution of November 1868, it was ordered that all articles which had borne customs duty should be exempt from municipal taxation, but these articles are, in common with all others, again systematically subjected to local taxation on entering a district municipality, in total disregard of the orders of the Government of India.

Articles which have paid Customs Duty not exempted.

The Government of India condemned this widespread system of taxation on the ground that it was injurious to the interests on which the burden in a great measure fell, and stood in the way of the proper development of the commerce of the country. Much of the evil is, perhaps, due to the fact that district officers too frequently do not appreciate the importance of leaving trade unfettered, and the argument is too often raised,—"What is an anna on a bale of "piece goods, or a bale of cotton? A mere fraction which "it is absurd to say any trade can feel"!! Measures will, it is hoped, be taken to confine the levying of town duties to those articles allowed only under the enlightened policy now reaffirmed by that Government, and, what is of equal importance, to prohibit any duty of any kind, which is not moderate, from being imposed.

It is, we believe, universally accepted that the great principles of an octroi duty are that it should be small, and that it should never be allowed to operate as a transit duty. Yet in numerous instances, whether the articles have already borne customs duty or not, the taxes levied, under the name of octroi, by district municipalities, are excessive, while the refusal to grant refunds, when the articles are re-exported, or the limitations or restrictions imposed on the granting of refunds, have the effect of converting the town duties paid into transit duties.

Excessive duties levied.

From the Chamber's statement of the 26th October 1875, the following instances are extracted of duties levied which are much too high, and His Excellency need hardly be reminded that

nearly all the articles mentioned have already borne customs duty :—

At Bombay Town Duties are levied—

On Timber, excluding Railway Sleepers, at 2½ per cent. on market value.

At Kurrachee—

On Gunny Bags at Rs. 2 per bale not exceeding 300 pieces: these bags are sent to Kurrachee for packing Grain, Seeds, &c., for export.
On Piece Goods (including Twist, Twine, Canvas, Millinery, Hosiery, Haberdashery, and all kinds of Silk and Woollen Cloths) .....At Rs. 2 per case or bale.
On Copper and Brass Manufactures .....At Rs. 2 per cwt. or about 4 per cent.
On Cutlery, Hardware, and Ironmongery.....At Rs. 2 per case.
On Dyes, Cochineal .....At Rs. 4 per maund.

At Surat—

On Cotton Yarns—

Yarn, Europe .....at Rs.	1	0	0	per Bengal Maund of 82⅔ lbs.	or about	3½	per cent.
„ Dyed ..... „	1	4	0	do.	do.	1¾	do.
Thread, Bundles of... „	1	10	0	do.	do.	2¼	do.

On Copper manufactured or unmanufactured, except utensils in actual use.....at Rs. 1 0 0 per Surat Maund of 38 lbs., about 6 per cent.

On Silk, including Thread and Yarn—

Sooturfenee, Aval, &c...Rs.	0	8	0	per Bengal Seer of 2$\frac{2}{5}$ lbs.	
Charum, Korda, &c..... „	0	6	0	do.	do.
Punjum, all sorts ..... „	0	2	0	do.	do.

At Broach—

On Brass, wrought and unwrought.....at Rs.	0	8	0	per Broach maund of 40 lbs.,	about	2½ per cent.
On Copper, do. ..... „	0	8	0	do.	do.	do.
On Bell-Metal, do. ..... „	0	8	0	do.	do.	do.

At Tannah—

On all sorts of Cloths, including Piece Goods, at 2½ per cent. *ad valorem*.

At Ahmedabad—

On Brass, unwrought.....at 12 annas per Bengal maund, about 2 per cent.
On Copper, ditto .....at Re. 1 „ „ 2¾ „
On Articles of Copper, Brass, Zinc, and Copper Brass .....at Rs. 1-8-0 „ „ 3½ „
On Silk, Sooterfenee, Chinai .....at 8 annas per Indian seer of 2$\frac{2}{5}$ lbs.
On Silk, Second sort .....at 6 „ „ „
On Silk, Singapoor .....at 4 „ „ „
On Silk Punjum and Thoree ... . at 2 „ „ „

Numerous other instances could be furnished, but the Chamber has reason to believe that in almost every city and town municipality throughout the Presidency excessive duties are levied, and on articles on which no municipality should have any right to levy a duty. It has, however, been specially brought to the Chamber's notice that at Barsee very heavy taxes have been levied on machinery erected there, and that at Veerumgaum a duty of 4 per cent. was levied on hoop iron sent there for the purpose of binding bales of cotton, and no refund was allowed. At Wudwan no duties appear to be charged on articles entering the town, but iron or similar articles cannot come out of

it without being taxed at the rate of about 10 per cent.: a duty of Rs. 600 would be levied on the removal of an old cotton press. Other impositions, and of a similar character are, it has come to the knowledge of the Chamber, levied in many parts of the Presidency. The difficulty and expense of seeking redress in such cases make it often simpler to bear the exaction, but this is one of the strongest reasons why the articles on which duty may be leviable by a municipality, and the rates of duty in respect thereof, should be fixed by law.

In the Chamber's Statement of the 26th October 1875, it will be seen that a system of levying duties upon loads prevails at certain municipalities, such as those of Nassik, Poonah, Sholapore, Ahmednuggur, Sattara, and Belgaum. This system appears to be peculiar to municipalities in the Mahratta Country, and from its indefinite character (the weight or measure which constitutes a load not being given) to be particularly liable to abuse or evasion. It is impossible to judge what duties under such a system are excessive, but the following items are extracted from the Statement to shew the desirability of a general enactment, applicable to the whole Presidency, being passed, prohibiting any municipal body from levying any duty above a certain rate *ad valorem*.

At Nassik, Town Duties are levied on brass, copper, silks, cotton and woollen manufactures, as follows:—

Per Cart load with 2 Bullocks or per Camel load.	Per Bullock, Buffalo, Tattoo or Horse load.	Per Ass load.	Per Man's head load.
Rs. 5 0 0	Re. 1 0 0	Re. 0 8 0	Re. 0 4 0

At Poonah—

	Per gara or bundee.			Per gara with 4 Bullocks.			Per cart with 2 Bullocks.			Per Camel load.			Per Bullock, Buffalo, Mule or Tattoo load.			Per Donkey load.		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
On Dyes, Galls, Safflower, Cochineal, &c.	4	0	0	2	8	0	2	0	0	1	0	0	0	12	0	0	4	0
On Wool, Twist, Piece Goods, Silk, &c.	3	0	0	2	0	0	1	8	0	0	12	0	0	8	0	0	3	0
On Iron, Steel, &c.	2	0	0	1	8	0	1	0	0	0	8	0	0	6	0	0	2	0
On Brass, Bell Metal, Quicksilver, Copper, Cutlery, Padlocks, Copper and Brassware	5	0	0	3	0	0	2	8	0	1	4	0	0	12	0	0	4	0
On Raw and Tanned Hides.	3	0	0	2	0	0	1	8	0	0	12	0	0	8	0	0	3	0
On Wheat, Grain, and Seeds of kinds	1	0	0	0	12	0	0	8	0	0	4	0	0	3	0	0	1	0

At Sholapoor—

	Per Cart load with 4 Bullocks.	Per Cart load with 2 Bullocks.	Per Bullock or Buffalo load.	Per Tattoo load.	Per Ass load.	Per Camel load.	Per Man's head load.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
On Silk and Indigo	12 0 0	6 0 0	1 8 0	1 8 0	0 12 0	3 0 0	0 12 0
On Woollens of sorts, Europe Thread	6 0 0	3 0 0	0 12 0	0 12 0	0 6 0	1 8 0	0 6 0
On Country Thread, Cotton, and other fabrics of every description	3 0 0	1 8 0	0 6 0	0 6 0	0 3 0	0 12 0	0 3 0
On Copper, Iron, Brass, Tin, Zinc, and other Metals	1 8 0	0 12 0	0 3 0	0 3 0	0 1 6	0 6 0	0 1 6
On Bhoosmoog Seed, husked Rice, Hides	0 12 0	0 6 0	0 1 6	0 1 6	0 0 9	0 3 0	0 0 9
On Grain, Wheat, Seeds	0 8 0	0 4 0	0 1 0	0 1 0	0 0 6	0 2 0	0 0 6

At Ahmednuggur—

	Per Cart load.
On Grain	2 Annas.
On Piece Goods, Iron, and all articles brought into the town whether for consumption or for sale,—except Fuel, Fodder for cattle except Grain, Tiles, Bricks, Baskets, Stones, Chunam, Limestones, Salt, Vegetables, and Fruits of all sorts, except Betel Leaves, empty Casks, Bottles, Gunnies, and Earthen Pots, Tents and Rahootees, and Furniture when net brought for sale	12 Annas.

At Sattara—

	Per Cart load.	Per Camel load.	Per Bullock, Buffalo, Mule or Tattoo load.	Per Ass load.	Per head load.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
On Hides and Horns of Sorts, and Metals of sorts	2 4 0	1 12 0	0 9 0	0 5 0	0 3 0
On Cotton Ropes, Twine	1 8 0	1 2 0	0 6 0	0 3 0	0 2 0
On Oil Seeds of sorts	0 8 0	0 6 0	0 2 0	0 1 0	0 0 9

On Cotton and Wool, 6 annas per bale.
On Cotton Twist and Thread, Re. 1 per bale.
On Silk Thread, 2 annas per seer of 2 $\frac{2}{5}$ lbs.

At Belgaum—

	Per Cart Load of 2 Bullocks.	Per Bullock Load.
	Rs. a. p.	Rs. a. p.
On Cotton Goods	1 8 0	0 6 0
On Shawls, Woollen Carpets, Country Gulleechay, Silk Cloth of sorts	2 0 0	0 8 0
On Yarns and Twist (Cotton, Silk, &c.) Raw Silk	1 0 0	0 4 0
On Indigo	4 0 0	1 0 0
On Tanned Hides	0 8 0	0 2 0
On Horns and Hides	0 6 0	0 1 6
On Copper	1 8 0	0 6 0
On Tin and other Metals, not specified (except Gold or Silver)	1 0 0	0 4 0
On Iron	0 8 0	0 2 0
On Grain, Wheat, &c.	0 8 0	0 2 0
On Oil Seeds	0 6 0	0 1 6

When the Government of India authorized piece-goods and metals to be added to the list of articles on which octroi duties might be leviable, it expressly provided that the duties on these goods should not exceed 1½ per cent. *ad valorem*. It is important to remember that this limit

was fixed notwithstanding the argument put forward, with respect to the former class of article, that English piece-goods and the finer native textile fabrics were really articles of luxury, and that consequently it was better to tax them, and through them the rich, than to increase the octroi rates on food-grains and the like, and so enhance the taxation of the poor. I am directed respectfully to submit that, in the general interests of commerce, this rate, which is sufficiently high for a municipal duty, should never be exceeded, and that it should be applicable only in special cases to articles of luxury, while the rate of duty on articles of general consumption should be as low as possible.

Rules relating to Refunds.

In para. 25 of the Resolution of November 1868, and again in the Resolution of September last, the Government of India laid down that, on the exportation from a town of dutiable goods, the octroi levied on them should be refunded, a minimum sum below which no refund should be so claimable, being fixed with the approval of the local Government. But the spirit and the letter of these instructions have been deliberately set aside in this Presidency, some of the municipalities allowing no refunds whatever, while the rules relating to refunds adopted by others are either so illiberal, or so stringent, as to render it almost impossible to obtain a refund, and the octroi consequently degenerates into a transit duty. The following are a few instances showing the nature of the rules enforced in which, however, the rules hitherto in force at Kurrachee are not included, for the Chamber presumes that the orders of the Government of India contained in its letter of the 16th November last, that all duties levied under the name of octroi on the transit trade should be abolished on the 31st December last have been executed :—

At Nassik, Poonah, Sholapoor, Ahmednuggur, Sattarah and Tannah, no refunds are allowed on articles brought into the town, and subsequently exported.

At Belgaum the period within which refunds are claimable is limited to 7 days from the date of the importation of the articles, at Surat to 8 days, at Broach to 15 days, and at Ahmedabad to 1 month.

At other places, the stringency of the rules in other respects is such as to give the town duties paid purely the character of transit duties. At Broach,

for instance, a merchant importing goods for transit through Broach must give notice to the municipal authorities within 24 hours of the arrival of the goods, and that the same are intended for exportation within 15 days, and the invoices or other papers relating to the same must be *vised* by the Secretary or other appointed officer, but if the merchant or other person concerned, breaks bulk, he is not entitled to any drawbacks whatever. At Belgaum, refund of duty levied on imports intended for transmission to other places, is allowed under a rule which requires that the goods shall, on entering a gate of the town, be reported to the Nakedar, and the boxes, bags, or bundles containing them marked by him, and a refund of the import tax paid is allowed if application be made within 7 days from the date of importation.

These instances are taken from the Chamber's Statement of the 26th October 1875, but similar rules more or less open to objection have been introduced by nearly every city and town municipality in the Presidency. It will, doubtless, be apparent to His Excellency that where refunds of town duties paid on imports intended for transmission to other places, or on articles brought into a municipality for consumption or sale and subsequently exported, are refused, or where unreasonable limitations of time within which refunds are claimable are imposed, or where the refunds are dependent on conditions, the fulfilment of which are as regards imports for sale impossible, and imports for transmission to other places unnecessary and apt to be overlooked or misunderstood by the ignorant persons in charge of the goods, the duties paid on such goods are taxes levied on the transit trade for the benefit of the municipality by which such rules are enforced.

Constitution of district Municipalities.

The Bombay District Municipal Act No. VI. of 1873 empowers municipalities to make rules regulating the nature and action of municipal executive administration, but contains no section which, like section 120 of the Bombay Municipal Act No. III. of 1872, specially provides for the granting of refunds of town duties paid on articles re-exported. That such an enactment is needed is evident from the constitution of the

municipalities themselves, and is proved by the nature of the rules which they have everywhere introduced. It is a well known fact that town and transit duties, and particularly the latter, are preferred by municipalities, wherever such bodies exist, to house taxes and other forms of direct taxation. The Government of India, in para. 14 of its Resolution of the 6th November 1868, thus refers to it :—"No imposts are so generally popular among the "more influential classes in towns. They yield large "revenues, they provide the means for carrying out "many local improvements, and, in so far as they are "really transit duties, they enable towns-people to make "others bear the burden of taxation which should pro-"perly fall upon themselves." If His Excellency will be so good as to refer to sections 7 and 8 of Bombay Act No. VI. of 1873, he will find that it is from these classes, who generally are owners of house property, that the city and town municipalities are formed. And section 21 of the same Act empowers every municipality to impose any tax, toll, or other impost, with the approval only of the Governor-in-Council. It was inevitable that municipalities so constituted, and vested with such powers, would avail themselves of every opportunity of raising revenue by taxing the transit trade ; and it was therefore the more necessary that Government should have exercised a vigilant and efficient control over their system of taxation.

In para. 14 of the letter of the Government of India to the Government of Bombay, dated Simla, 16th November 1877, His Excellency the Governor-General in Council desired that if under any existing law there was legal difficulty in carrying out the orders of the Government of India, the necessary steps for amending such law should be promptly taken by His Excellency the Governor of Bombay. It appears to the Chamber that the only effectual way of carrying out these orders, and of putting a stop to the present objectionable system of raising municipal revenue in the cities and towns of this Presidency, is to introduce an amended District Municipal Bill, in which the discretionary powers vested in the municipalities of levying taxes on any article, and of passing rules imposing restrictions on the granting of refunds, shall be abolished, and a list of the articles on which town duties may be leviable, and the rules relating to the granting and limitation of refunds, inserted.

The Chamber therefore prays that His Excellency will take measures to introduce on an early day into the Legislative Council of the Governor such a Bill, from which paragraph (*e*) of clause 2 of section 14, of the present Act No. VI. of 1873, which relates to the preparation of rules regarding the taxes, tolls, or other imposts to be levied, together with the times and mode of collection of the same, and section 21, which relates to the imposition of taxes, tolls, or other imposts, will be omitted, and sections to the following effect inserted in the Bill :—

Suggested amendment of Bombay District Municipal Act VI. of 1873.

I. Duties at the rates specified in the Schedule A annexed to this Act shall be leviable in respect of the several articles therein mentioned when imported from any place into any municipality constituted under this Act.

The said duties shall be called town duties, and it shall not be lawful for any city or town municipality to farm such duties, or to levy town duties in excess of the rates so fixed, or to impose the same in respect of any other articles than those liable to town duties under this Act.

II. It shall not be lawful for any city or town municipality to levy any duty, tax, toll, or other impost, on any other article imported into a municipality, or on any article exported therefrom.

III. The said town duties shall be payable on demand, and shall be levied and collected by, and under the management of, the municipality. Provided that it shall be lawful for a municipality, with the sanction of the Governor-in-Council, to make such arrangements as in their discretion they may deem fit with any Railway Company for the levy and collection of town duties under this Act.

IV. (*a.*) When any of the articles upon which town duties shall have been paid shall be exported, the full amount of town duties shall under such rules as the municipality—with the sanction of the Governor in Council, notified in the *Bombay Government Gazette* one month pre-

viously to the same being enforced,—be repaid as refund, provided that the articles be exported within two years from the date of importation, and that application for such refund be made within one month from the date of exportation ; and provided also that refunds, except on goods brought into a municipality for transmission to other places, shall not be claimable of less amount than two rupees as next herein provided.

(*b.*) The full amount of Town Duty paid on an article brought into a municipality for transmission to other places shall, on the exportation of the article, be refunded. On articles brought into a municipality for consumption or sale, and subsequently exported, refunds amounting in all to rupees two or upwards shall be claimable on goods, whether of the same or different descriptions, exported on the same date, or on different dates during thirty days, from the date of the first exportation, and whether consigned to the same or different persons or places.

(*c*) A claim to refund shall not be affected by reason of the goods having changed owners since they were imported into the municipality, nor by reason of the goods having broken bulk and a part having been sold, in which case refund shall be claimable in respect of the remaining part on exportation. Nor shall it be necessary to establish the identity of the goods with those which have paid town duty whether the goods have, or have not, broken bulk, nor to produce any other than reasonable proof to satisfy the municipality that the articles have paid town duty and are entitled under the provisions of this Act to refund on exportation.

V. Tables of the town duties leviable under this Act, and copies of any rule in force relating to the granting of refunds, shall be printed in English and in the Vernacular languages of the district, and shall be kept hung up in a conspicuous position at the Railway Stations or other places where the town duties are collected by the municipality.

In conclusion, I am directed to express the gratitude with

which this Chamber received the letter addressed by the Government of India to subordinate Governments in September 1877, and the letter addressed by the Government of India to the Government of Bombay, dated Simla, 16th November 1877, above referred to, and respectfully to request that His Excellency will be so good as to favour the Chamber by transmitting copies of this letter and its accompaniments to His Excellency the Governor-General in Council for his information.—I have, &c.,

J. GORDON, Secretary.
W. LANG, Chairman.

APPENDIX.

BOMBAY CHAMBER OF COMMERCE, *26th October*, 1875.

To the CHIEF SECRETARY to GOVERNMENT, Bombay.

SIR,—I am directed by the Committee of the Chamber of Commerce to acknowledge the receipt of your letter No. 3047, dated 5th instant, enclosing an extract from the Proceedings of the Government of India, in the Department of Revenue, Agriculture, and Commerce, No. 79, dated 20th September, in regard to this Chamber's communication, dated 30th November last, on the subject of the Duties levied in Bombay on grain and tobacco by the Municipality.

The Chamber is glad to learn from this extract that the Government of Bombay desires to see the system on which the Municipal dues are levied, divested, as far as possible, of anything that can give them the character of Transit Duties, although His Excellency in Council is not prepared to advocate a preference being given in the matter of exemption from taxation to one description of taxable produce over another on its being brought into the city. The Chamber is also gratified to find that the Government of India desired to see Mr. Pedder's proposals, with any needful modifications, to relieve the trade passing through Bombay from taxation operating as Transit Duties, carried into effect; but His Excellency the Governor-General in Council did not consider it necessary to discuss on that occasion the principles of the Municipal taxation of the City of Bombay or to suggest any changes in that taxation.

The object of the Committee in now addressing His Excellency the Governor in Council is to bring under His Excellency's notice the operation of Transit and Town Duties and of Town Duties having the character of Transit Duties, which are levied not only by the Bombay Municipality but by nearly every Municipality in this Presidency on articles of general commerce, and they at the same time desire to avail themselves of the opportunity which the approaching expiration of the "Bombay Municipal Act, 1872," presents, to urge upon His Excellency in Council the expediency of abolishing these Duties, and of confining the Municipal Town

Duties, in accordance with the principles of Municipal taxation defined by the Government of India in their Resolution, dated 14th November 1868, to a few articles of local consumption, such as ghee, firewood, fruit, vegetables, fowls, eggs, and animals for slaughter, which do not enter into the general trade of the country, and which, being recognizable at first sight, do not involve the stoppage and search of other commodities.

In the course of their enquiry into the subject, the Committee applied to the more important Municipalities in the Mofussil for information on the following points :—

1.—The revenue of the Municipality.
2.—How much of the revenue is made up of Town Duties.
3.—Upon what articles are Town Duties imposed, and what is the rate of Duty charged upon each article ?
4.—Is any drawback allowed on articles imported into the town for consumption therein but subsequently exported : if so, is the whole Town Duty refunded, or how much of it ?
5.—How much of the revenue is made up of Transit Duties ?
6.—Upon what articles are Transit Duties imposed, and what is the rate of Duty charged upon each article ?

The information, which was in nearly every instance most courteously and readily supplied, has been embodied and arranged in a statement showing the Municipal revenues, the amount received from Octroi or Town Duties, and the principal articles which enter into the general trade of the country on which Octroi or Town Duties are levied. I am directed to enclose this statement, with the respectful request of the Committee, that you will be so good as to lay it before His Excellency the Governor in Council.

From this statement it will be seen that Transit Duties, as such, are avowedly levied by some Municipalities, and that, in most, the rules, under which refunds of Town Duties paid are granted, are so stringent as practically to convert these Town Duties into Transit Duties.

Transit Duties are levied as follows by the Municipalities mentioned :—

By the Kurrachee Municipality.—On cotton in transit at the rate of 4 annas per bale. On all articles on which Town Duties are paid, one-fourth ;—three-fourths only being under any circumstances refunded. The Municipality does not profess to levy taxes direct on goods in transit ; but the rules in force are such as to leave the levying of such taxes entirely to the discretion of the collecting authorities, and none of the rules apply to cotton, on which no refund is given.

By the Surat Municipality.— On spirits manufactured at the Government Distillery.

By the Broach Municipality.—In addition to the ordinary Municipal wheel tax, a duty is imposed on all conveyances going out of Municipal limits, whether laden or empty, of 3 pies each, and on all carts con

veying bales of cotton to the railway station, 2 annas per cart.

By the Ahmedabad Municipality.—In addition to the Municipal wheel tax, the following taxes are levied :—

On carts laden, on entering the city, 2 annas per cart.
On all other laden carts, 1 anna per cart.
On laden camels passing through the gates, 3 pies each.
On bullocks and tattoos laden, 2 pies each.
On donkeys laden, 1 pie each.

With regard to the tolls on traffic levied by the Broach and Ahmedabad Municipalities the Committee would respectfully request the attention of His Excellency in Council to clause 21 of the Resolution of the Government of India aforesaid, in which it is laid down that "a Municipal body can have no claim to take "tolls on traffic entering its boundaries by roads or canals. Such "imposts are merely a means of raising money from the commerce of the country for the benefit of the town in which they "are levied."

To these direct Transit Duties should be added the Town Duties levied by all Municipalities on whatever articles are brought within their respective limits and are re-exported, when, on re-exportation, no drawback or refund of Town Duty paid is granted. Of the Municipalities entered in the statement enclosed, the Municipalities of Nassick, Poona, Sholapoor, Ahmednuggur, Sattara, and the Tannah Districts, allow no refund on re-exportation.

Turning now to the difficulties and restrictions interposed in the granting of refunds on Town Duties paid, we find that, in the case of nearly every Municipality, these are so great as to convert them into Transit Duties. The Committee will here refer only to a few of the larger Municipalities entered in the statement with the view of shewing the hardship of these restrictions on importers. In Bombay, no refunds are granted unless the articles are exported within six months from the date of importation. If the principle is accepted that the Town Duties are leviable only on articles consumed in the town, the limitation is an injustice to the merchant who, in importing such articles as metals, wines and spirits, beer, sugar and timber, has frequently to warehouse them for a much longer period than six months before finding a market to which he may venture to export them for sale. In Kurrachee the limitation of the time within which refunds are granted is fixed at two years from the date of the importation of the goods ; in Surat, if the articles are exported within eight days from the date of importation ; in Ahmedabad, if within one month from the date of importation ; in Broach, if within fifteen days from the date of importation ; and in Belgaum, if within seven days from the date of importation.

But, apart from the limitations of time with respect to applications for refunds, the conditions under which refunds are granted are such as in many cases to render compliance with them impossible. The Committee abstain from remarking on the restrictions with which refunds are still hampered in Bombay as, in the reference made by this Chamber to the Government of India already referred to, His Excellency the Governor of Bombay

in Council has expressed his desire to see the system in which the Municipal dues are levied divested, as far as possible, of anything that can give them the character of Transit Dues, and the Chamber hopes therefore that steps will ere long be taken to give effect to this opinion in regard to any articles that may yet be subjected to the payment of Town Duty. But in other Municipalities of this Presidency no such pledge has yet been given, and the difficulties and restrictions interposed in the granting of refunds give these duties the character of Transit Duties. In Kurrachee *three-fourths only of the Town Duty paid* are refunded on all goods or any portion of goods re-exported, if demanded within two years of the date of their importation, *provided they are in the original packing*, or can be identified to the satisfaction of the collecting authorities. The Kurrachee Chamber of Commerce, in a memorial to His Excellency the Governor of Bombay, dated 16th October 1874, affirmed that from an intimate acquaintance with the trade in oilseed and wheat, nearly seven-eighths of the quantities brought into the town are exported; that grain is nearly all imported by Native merchants, who invariably take it to their own godowns before selling it to the exporting firms, finding it preferable to pay a commuted sum of half the Town Duty on arrival of the goods, and abandon all claim for refund, which, however, that Chamber considers could very seldom be obtained under the rules in force. Wool is all re-exported, but it becomes subject to the heavy Transit Duty levied upon it in consequence of the necessity of opening the bales in Kurrachee for the purpose of cleaning and preparing it for the Home markets. In Broach, the rule under which refund of Town Duty paid is obtainable requires the merchant to give notice to the Municipal authorities, within twenty-four hours of the arrival of the goods, that the same are intended for exportation within fifteen days, and that the invoices or other papers relating to the same be duly *vised* by a duly appointed officer; but if the merchant or other person concerned, break bulk, he is not entitled to any drawback whatever. In Belgaum, imported goods, that may be intended for transmission to other places are, on entering a gate of the town, to be "reported to the Nakedar, and the boxes, bags, "or bundles, containing such goods, shall be marked by him, and a "refund of their import tax shall be allowed if application be made "within seven days from the date of importation, and if the "Municipality is satisfied that the goods are about to be exported."

In connection, moreover, with the present system of levying Town Duties in the Mofussil, the Committee of the Chamber beg to bring to the notice of His Excellency the Governor in Council that, in some of the Municipalities, in Surat for instance, and sometimes in Tanna, the right of levying these duties and other taxes is farmed out for lump sums, which leads to oppression being practised by the contractor on the ignorant trader.

The Committee of the Chamber, in thus pointing out the evils of the present system of Municipal taxation in this Presidency, desire to guard against the supposition that the mere removal of Transit Duties, or of Town Duties having directly the character of Transit Duties, would be sufficient to relieve the general trade of the Presidency of the depression under which it has for some years been labouring, and to which the operation of the Transit

and Town Duties now levied has in a great measure contributed. They believe that all Transit and Town Duties are alike injurious to the general trade, and to the towns immediately affected, and that, as all experience has shown, such Duties are "not capable "of effectual remedy by any contrivance of bonded-warehouses or "drawbacks." They would here particularly crave the attention of His Excellency in Council to the Resolution of the Government of India, already mentioned, which has accurately defined the principles, and almost exhausted the whole subject of Municipal taxation. In para. 4 of that Resolution, the Goverment of India proclaimed that it had reason to believe that the sound principles therein laid down—the truth of which had been established by the prolonged experience of those countries of Europe in which Octroi Duties form commonly a source of Municipal revenue—had been frequently lost sight of, and that to meet the burden of an annually increasing expenditure upon police, education, or sanitary improvements, a wide-spread system of taxation had been introduced, injurious to interests on which the burden in a great measure fell, and standing in the way of the proper development of the commerce of the country. "It is to little purpose," said His Excellency the Governor-General in Council, "that the Im-"perial Government reduces or abolishes customs duties in the "interest of trade, if Municipalities are permitted to levy duties on "articles of commerce passing through their limits."

After enunciating the principles of Municipal taxation, His Excellency the Governor-General in Council concluded the Resolution by prescribing certain rules for general adoption, requesting that the existing practice might be brought into conformity with them, and that they might not be deviated from without the previous sanction of the Government of India. By rule I. it was laid down that, subject to the limitations contained in rule II. no Town Duty or cess under any name should be levied by any Municipal body on any commodity not included in the following list, viz. :—

(1)—Articles of food or drink for men or animals ;
(2)—Animals for slaughter ;
(3)—Articles used for fuel, for lighting or for washing ;
(4)—Articles used in the construction of building ;
(5)—Drugs, gums, spices, and perfumes ;
(6)—Tobacco ;

by rule II., that no such duty should be levied on any of the following articles, &c. :—

(1)—Articles liable to customs duty and imported into India by sea ;
(2)—Salt ;
(3)—Opium ;
(4)—Fermented or spirituous liquors manufactured in India, and drugs liable to Excise or Abkaree Duty,

and by rule III., that no such Duty should be levied except on things brought into a town for actual use or consumption therein.

To illustrate the severity with which the Transit and Town duties now levied fall upon trade—more particularly with respect

to articles which have already borne an imperial customs duty—the Committee have selected a few of the articles enumerated in the enclosed statement, and the rates of duty levied on them, and to these they respectfully request the attention of his Excellency. These articles are as follows, viz :—

Bombay.—

Tobacco duty—Rs. 7-8-0 per maund, equal, on the lower kinds, to about 20 per cent., or 4 times the imperial customs' duty.

Metals.—1 per cent. duty.

Kurrachee.—

Wheat—1 anna per maund duty, equal to 2⅓ to 3 per cent. of the value.

Wool—2 annas per maund duty, equal to 1 to 1½ per cent. of the value.

Copper and Brass—1 per cent. duty.

Surat.—

Yarn—Re. 1 per maund duty, equal to 3 to 3½ per cent., or about the same as the imperial customs' duty.

Copper—Re. 1 per Surat maund of 38 lbs., equal to 5 per cent. on the value, or the same as the imperial customs' duty.

Iron—3 annas per Bengal maund duty, equal to 5 per cent. of the value.

N.B.—The Municipality has entered the duty on Iron in its Return to the Chamber at 3 annas per Bengal seer, which is evidently a mistake.

Ahmedabad.—

Yarn—Rs. 2 per Indian maund duty, equal to 6½ per cent. of the value, or nearly twice the imperial customs' duty.

Piece Goods—1½ per cent. duty.

The Committee can only express their regret that the present injurious system of Municipal taxation by the Bombay Municipality, and the Municipalities of the Mofussil of this Presidency, should ever have been permitted, and that the sound principles, and the excellent rules laid down by the Government of India in the Resolution of 1868, were not from the first adopted. No imposts, it is true, are more popular than Transit and Town Duties among the owners of property, and the more influential classes in towns, for by means of these duties they escape from the taxation which should properly fall upon themselves. But when such a system exists, the real injury that is being inflicted on general interests is overlooked, and the community suffers by the decline of its commerce which seeks other channels in which it meets with fewer impediments. No Town or Transit Duties are imposed in Calcutta, where the town conservancy moreover compares favourably with that of Bombay, nor is there any duty levied on imported tobacco other than the Imperial customs duty.

The Committee of the Chamber desire me to express the hope that His Excellency in Council will be pleased, in accordance with

the views expressed by His Excellency in transmitting the Chamber's letter of the 30th November last to the Government of India, to take steps to abolish all Transit Duties or Town Duties, having the character of Transit Duties, levied either by the Municipality of Bombay or by any of the town or district Municipalities in this Presidency. And they also pray that His Excellency in Council will be pleased to avail himself of the present opportunity to review the whole system of Municipal taxation in the Presidency, and to confine the imposition of Town Duties, in accordance with the principles and rules laid down by the Government of India, to a few articles of local consumption, such as ghee, firewood, fruit, vegetables, fowls, eggs, and animals for slaughter, which do not enter into the general trade of the country.

In conclusion, I am directed respectfully to request that His Excellency in Council will do the Committee the favour to transmit a copy of this letter and of the statement which accompanies it, to the Government of India, for the consideration of His Excellency the Governor-General in Council. With reference to para. 2 of the Resolution of the Government of India, No. 79, dated 20th September last, they most humbly venture to suggest that there can be no more fitting opportunity, than the present, when the "Bombay Municipal Act of 1872" is expiring, to reconsider the principles of the Municipal taxation of the City of Bombay.—I have, &c.,

J. GORDON, Secretary.
J. A. FORBES, Chairman.

MUNICIPALITIES OF THE TOWN OF BOMBAY, AND OF TOWNS OR DISTRICTS IN THE MOFUSSIL OF THE BOMBAY PRESIDENCY.

Statement showing the Municipal Revenues, the amount received from Octroi or Town Duties, and the principal articles, which enter into the general trade of the country, on which Town Duties are levied.

Principal articles entering into the general trade of the country on which Town Duties are levied.	Rate of Duty levied on these articles.	Remarks by the Committee of the Bombay Chamber of Commerce.
BOMBAY MUNICIPALITY.—*Total Revenue, Rs.* 29,75,731 ; *Amount of Revenue derived from Town Duties, Rs.* 4,97,506—		
Grain of all sorts	4 annas per candy of 712 lbs.	Refund is allowed on articles exported if claimed within one month from the date of exportation.
Metals, except Gold and Silver, Iron and Steel ...	1 per cent. on tariff va'ue	In addition to the Municipal Town Duty of Rs. 7-8-0 per maund on Tobacco, this article is subject to an imperial import duty of 10 per cent. *ad valorem*. The Municipal Duty is equivalent—on the lower and cheaper kinds of Tobacco—to about twice the amount of the imperial duty.
Wines and Spirits... ...	4 annas per gal'on	Nominally no Transit Duties are levied by this Municipality, but the restrictions on granting refunds have to a great extent the effect of converting the Town Duties into Transit Duties.
Beer	6 pies per gallon	
Tobacco	Rs. 7-8 per maund of 82 lbs.	
KURRACHEE MUNICIPALITY.—*Total Revenue, Rs.* 2,23,822 ; *Amount of Revenue derived from Town Duties, Rs.* 1,89,058—		
Cotton	4 annas per bale	The restrictions imposed on refunds of Town Duties levied by this Municipality are such as practically to convert them into Transit Duties.
Flax	2 do. per maund of 82 2-7 lbs.	By the Municipal Rule 107 B, three-fourths only of the Town Duty paid shall, if demanded, be refunded on all goods or any portion of goods re-exported within two years from the date of their importation, provided they are in the original packing, or can be identified to the satisfaction of the collecting authorities.
Hemp		
Jute		

Wool	2 do. do. do.	...
Grains	1 do. do. do.	...
Oil and Cotton Seeds ...	1 do. do. do.	...
Gunny Bags	Rs. 2 per bale not exceeding 300 pieces	...
Gunny Cloths	Re. 1 per bale	...
Piece Goods (including Twist, Twine, Canvas, Millinery, Hosiery, Haberdashery, and all kinds of Silk and Woollen Cloths	Rs. 2 per case or bale...	...
Country Cloth of all descriptions	8 annas per bundle or package	...
Rope, English, Manilla ...	8 do. per cwt.	...
Silk	1 do. per lb.	...
Copper and Brass Manufactures	Rs. 2 per cwt.	...
Copper and Brass Sheets ...	8 annas per cwt.	...
Cutlery	Rs. 2 per case	...
Hardware		
Ironmongery		

This Municipality does not profess to levy taxes direct on goods in transit, with the exception of cotton, but the restrictions are such as to leave the levying of such taxes entirely to the discretion of the collecting authorities. Rule 107 A runs thus :—"No duty shall be levied on goods re-exported within ten days from the date of their passing through the Custom House, or their leaving the Railway Godown, provided the collecting authorities have been satisfied at the time of their arrival that they are in transit, and provided also a certificate of exportation within ten days, is produced from the Collector, at the Custom House, or the Railway, as the case may be. But the collecting authorities, when they deem it advisable or necessary, may require any importer of goods in transit to deposit the full amount of the duty, which, however, will be refunded, if demanded on production of the above certificate."

None of these Rules apply to cotton, on which no refund is given.

In 1874, a scheme for supplying water to Kurrachee was resolved upon by the Municipality and sanctioned by the Commissioner in Sind. Although the population is 50,000, and Government would derive great benefit from this scheme, it was proposed to defray the cost of it by a considerable further increase of Town Duties, the enhancement amounting in most instances to one-third of the present rates. As an illustration of the manner in which trade is made to bear all Municipal burdens, it may here be observed that the Commissioner had, on a previous occasion, stated that the various Government establishments could easily contribute Rs. 30,000 per annum, and that even then Government would be a gainer; but subsequently, while admitting the benefits which Government would derive from the improved and increased supply of water, he reduced the proposed contribution to Rs. 5,000 on the ground that Government was helping the Municipality by granting a loan at a lower rate of interest than could be obtained in the market, and on very favourable terms. The Government of India

Principal articles entering into the general trade of the country on which Town Duties are levied.	Rate of Duty levied on these articles.	Remarks by the Committee of the Bombay Chamber of Commerce.
KURRACHEE MUNICIPALITY.—*Continued.*		has in recent years adopted the liberal policy of granting loans to Municipalities at rates of interest slightly over the rates at which it can borrow, without requiring any indirect advantages.
Iron, of all kinds, except Sheet Iron	1 anna per cwt.	The Kurrachee Chamber of Commerce, in a Memorial to the Governor of Bombay, dated 16th October 1874, protesting against this proposal, pointed to a few articles as exemplifying the pressure of the duties levied upon them as goods in transit, since they are not even largely used in the Town. The Chamber particularized Grain, Oilseeds, and Wool. The duty of 1 anna per maund, or 8 annas per candy of 656 lbs. amounts to about 3 per cent. on the value of Wheat, being equivalent to the export duty which, in January 1873, the Government of India considered it advisable to abolish. The Chamber affirms that, from an intimate acquaintance with the trade in Oilseeds and Wheat, nearly seven-eighths of the quantities brought into the town are exported. Were there liberal rules for drawback, exporters might recover at times the Town Duties paid, but grain is nearly all imported by native merchants, who invariably take it to their own godowns before selling it to the exporting firms, finding it preferable to pay half the Town Duty which they are allowed to commute for on arrival and abandon all claim for refund, but which that Chamber considers, could very seldom be obtained under the Rules in force. Wool is all re-exported, but it becomes subject to the heavy transit duty levied upon it in consequence of the necessity of opening the bales in Kurrachee for the purpose of cleaning and preparing it for the home markets.
Sheet Iron	2 do. do.	
Steel		
Spelter		
Lead, Tin, Tinplates, &c. ..		
Hides	Re. 1 per corge of 20 hides	
Satpetre	2 annas per maund	
Skins	2 do. per corge of 20 skins	
Dyes, Cochineal	Rs. 4 per maund	
Indigo	Re. 1 do.	
Safflower...	„ 1 do.	
Tobacco, Country	„ 1 do.	
Do. Foreign	1 anna per lb.	

To the Municipal revenue for 1873, Town Duties contributed Rs. 189,058, or 84·467 of the entire revenue; House Tax, which is levied at the rate of 2 per cent. annually on the assessed rent, Rs. 6,810 or 3·042; Wheel Tax, Rs. 2,544 or 1·136; and Market Rents, Rs. 5,145 or 2·299; the remainder being derived from other sources.

SURAT MUNICIPALITY.—*Total Revenue, Rs.* 2,46,549 ; *Amount of Revenue derived from Town Duties, Rs.* 1,00,000 *estimated*—

Cotton Yarn—							
Yarn, Europe	Re.	1	0	0	per Bengal maund, viz., 82 2/7 lbs.	...	The Town Duties are, along with other taxes, farmed out, which leads to oppression being practised by the contractor on the ignorant trader.
,, Dyed	,,	1	4	0	do. do.	...	
Thread, Bundles of ...	,,	1	10	0	do. do.	...	The whole duty is refunded if the articles named are exported within eight days from the date of importation.
Silk, including Thread and Yarn—							
Sooturfenee, Aval, &c. ...	,,	0	8	0	per Bengal seer of 2 2/35 lbs.	...	Town Duty is levied on yarn spun by Indian mills, but not on hand-spun yarn made in villages, nor on cotton cloth or piece goods, either of Europe or country manufacture.
Charum, Korda, &c. ...	,,	0	6	0	do. do.	...	
Punjum, all sorts ...	,,	0	2	0	do. do.	...	No regular Transit Duty is imposed by this Municipality except on spirits manufactured at the Government Distillery, from which Rs. 11,000 annually is received. But as refunds are only granted on articles which are exported within the short space of eight days from the date of importation, the Town Duties paid on articles exported must, in the majority of cases, be in reality Transit Duties.
Kacha, Koocha or refuse...	,,	0	0	6	do. do.	...	
Copper, Manufactured or Unmanufactured, except utensils in actual use ...	,,	1	0	0	per Surat maund of 38 lbs....	...	
Iron	,,	0	3	0	per Bengal seer	...	

BROACH MUNICIPALITY—*Total Revenue, Rs.* 119,890 ; *Amount of Revenue derived from Town Duties, Rs.* 29,955—

Brass, wrought and unwrought	Rs.	0	8	0	per Broach maund of 40 lbs.	...	No claim for drawback on exportation is admitted unless made within fifteen days from the date of importation.
Copper do. do. ...	,,	0	8	0	do. do.	...	The rules under which drawback on goods imported for transit through Broach is allowed are so stringent as in reality to render the duties levied Transit Duties. The following is one of the rules :— "Every merchant importing goods for transit "through Broach shall give notice to the Municipal authorities within twenty-four hours of arrival "of said goods, articles, or merchandise, and that "the same are intended for exportation within fifteen "days, and that the invoices or other papers relating to the same be duly vised by the Secretary, "or other duly appointed officer, but if the merchant "or other person concerned break bulk, he or they "shall not be entitled to any drawbacks whatever."
Bell-metal do. do. ...	,,	0	8	0	do. do.	...	
Iron wrought, & unwrought, including machinery ...	,,	0	1	0	do. do.	...	In addition to the Town Duties, the following transit Duties are levied :— 1). All conveyances going out of Municipal limits, whether laden or empty, are charged three pies each. (2. All carts conveying bales of cotton to railway station two annas per cart. These taxes are levied in addition to the Ordinary Municipal Wheel Tax.

Principal articles entering into the general trade of the country on which Town Duties are levied.	Rate of Duty levied on these articles.	Remarks by the Committee of the Bombay Chamber of Commerce.
AHMEDABAD MUNICIPALITY.—*Total Revenue, Rs.* 280,140 ; *Amount of Revenue derived from Town Duties, Rs.* 184,131—		
Brass, unwrought ...	Re. 0 12 0 per Bengal maund of 74⅝ lbs.	The Town Duties levied on the articles enumerated are refunded if the articles are exported within one month from the date of importation.
Iron do. ...	„ 0 2 0 do. do.	
Copper do. ...	„ 1 0 0 do. do.	The duty on yarn, it will be observed, is, on the basis of 16s. to 20s., at six annas per lb., no less than 6¼ per cent.
Articles of Copper, Brass, Zinc, and Copper-Brass ...	„ 1 8 0 do. do.	In addition to these Duties, the following taxes termed "Tolls," but which are in reality Transit Duties, are levied in addition to the Municipal Wheel Tax :—
Yarn, except hand-spun country ...	„ 2 0 0 per Indian maund of 82 2/7 lbs.	On carts laden on entering the city, two annas per Grain cart.
Yarn, Dyed ...	„ 2 8 0 do. do.	On all other laden carts, one anna per cart.
Thread, Bundles of ...	„ 3 0 0 do. do.	On laden camels passing through the gates, three pies each.
Piece Goods, Europe and country cloths ...	„ 1 8 0 per cent. on declared value.	On bullocks and tattoos laden, two pies each.
Cochineal in box and tub ...	„ 2 0 0 per Indian maund of 82 2/7 lbs.	On donkeys laden, one pie each.
Silk, Sooterfenee, Chinaee ...	„ 0 8 0 per Indian seer of 2 2/35 lbs.	
„ Second sort ...	„ 0 6 0 do. do.	
„ Singapore ...	„ 0 4 0 do. do.	
„ Punjum and Khoree ...	„ 0 2 0 do. do.	
„ Koocha or refuse ...	„ 0 0 6 do. do.	

NASSICK MUNICIPALITY.—*Total Revenue, Rs.* 40,284 ; *Amount of Revenue derived from Town Duties, Rs.* 13,000—

	Per cart load with 2 bullocks or per camel load.			Per bullock, buffalo, tattoo, or horse load.			Per ass load.			Per man's head load.			Remarks by the Committee of the Bombay Chamber of Commerce.
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	
Brass and Copper ...	5	0	0	1	0	0	0	8	0	0	4	0	No refund of Town Duties is allowed on articles subsequently exported. The Collector remarks that as Nassick is not a trading town, and as through traffic keeps along the high road outside the town, this is a matter of no importance. No doubt this is true on the bulk of the goods entering Nassick, but the refusal to grant refunds converts the Town Duties into Transit Duties on such goods as are sent to Nassick for sale, but are re-exported because of there being no market for them in Nassick.
Zinc, Iron, Lead, and other metals...	2	0	0	0	8	0	0	4	0	0	2	0	
Silk, Cotton, and Woollen Manufactures	5	0	0	1	0	0	0	8	0	0	4	0	
Grain of sorts	0	4	0	0	1	0	0	0	6	.....			

POONA MUNICIPALITY.—*Total Revenue, Rs.* 114,491 ; *Amount of Revenue derived from Town Duties, Rs.* 80,100—

	Per gara or bundee.			Per gara with 4 bullocks.			Per cart with 2 bullocks.			Per camel load.			Per Bullock and buffalo, mule or tattoo load.			Per donkey load.			
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	
Wheat, Grain, and Seeds of kinds	1	0	0	0	12	0	0	8	0	0	4	0	0	3	0	0	1	0	No drawback is allowed on articles imported into the town and subsequently exported. As no drawbacks are allowed, the duties paid as Town Duties on articles imported and subsequently exported are Transit Dues.
Dyes, Galls, Safflower, Cochineal, &c.	4	0	0	2	8	0	2	0	0	1	0	0	0	12	0	0	4	0	
Hemp and Flax																			
Aloe Fibre																			
Coir																			
Gunny Paut																			
Twine																			
Wool																			
Country Twist																			
Woollen Thread																			
Cumblees and Country Blankets	3	0	0	2	0	0	1	8	0	0	12	0	0	8	0	0	3	0	
Country Piece Goods ...																			
Europe Twist																			
Woollen Carpets																			
Cotton Carpets																			
Cloth Umbrellas																			
Europe Piece Goods ...																			
Raw Silk																			
Silk Cloth																			
Shawls																			
Gold Lace Thread... ...																			
Iron, Lead, Zinc, Tin, Steel, Ironware	2	0	0	1	8	0	1	0	0	0	8	0	0	6	0	0	2	0	

Principal articles entering into the general trade of the country on which Town Duties are levied.	Rate of Duty levied on these articles.															Remarks by the Committee of the Bombay Chamber of Commerce.
POONA MUNICIPALITY.—*Continued.*																
	Per gara or bundee.			Per gara with 4 bullocks.			Per cart with 2 bullocks.			Per camel load.			Per bullock and buffalo, mule or tattoo load.			Per donkey load.		
Brass, Bell-metal, Quick-Silver, Copper, Cuttlery, Padlocks, &c., Copper and Brassware	Rs. a. p. 5 0 0			Rs. a. p. 3 0 0			Rs. a. p. 2 8 0			Rs. a. p. 1 4 0			Rs. a. p. 0 12 0			Rs. a. p. 0 4 0		
Raw Hides ... ... } Tanned Hides ... ... }	3 0 0			2 0 0			1 8 0			0 12 0			0 8 0			0 3 0		
SHOLAPOOR MUNICIPALITY.—*Total Revenue, Rs.* 53,450 ; *Amount of Revenue derived from Town Duties, Rs.* 34,691—																
	Per cart load with 4 bullocks.			Per cart load with 2 bullocks			Per bullock or buffalo load.			Per tattoo load.			Per ass load.			Per camel load.			Per man's head load.			
Jowari	Rs. a. p. 0 4 0			Rs. a. p. 0 2 0			Rs. a. p. 0 0 6			Rs. a. p. 0 0 6			Rs. a. p. 0 0 3			Rs. a. p. 0 1 0			Rs. a. p. 0 0 3			No refund of duty paid is allowed on articles re-exported, and the duty paid on such articles is therefore a Transit Duty.
Grain, Wheat, Seeds ...	0 8 0			0 4 0			0 1 0			0 1 0			0 0 6			0 2 0			0 0 6			
Bhooseemoong Seed, Husked Rice, Hides	0 12 0			0 6 0			0 1 6			0 1 6			0 0 9			0 3 0			0 0 9			
Copper, Iron, Brass, Tin, Zinc, and other metals ...	1 8 0			0 12 0			0 3 0			0 3 0			0 1 6			0 6 0			0 1 6			
Country Thread, Cotton, and other fabric of every description	3 0 0			1 8 0			0 6 0			0 6 0			0 3 0			0 12 0			0 3 0			
Woollens of sorts, Europe Thread	6 0 0			3 0 0			0 12 0			0 12 0			0 6 0			1 8 0			0 6 0			
Silk, Silk Cloth, Indigo ...	12 0 0			6 0 0			1 8 0			1 8 0			0 12 0			3 0 0			0 12 0			
Shawls—2 rupees each ...																						

AHMEDNUGGUR MUNICIPALITY.—*Total Revenue, Rs.* 40,365 ; *Amount of Revenue derived from Town Duties, Rs.* 10,707—

Grain	2 annas per cart load...	Town Duties are imposed upon all articles brought into the Town, whether for consumption or sale. No drawback is allowed on articles re-exported and the duties paid on such articles are, therefore, Transit Duties.
Piece Goods, Iron, and all articles except Fuel, Fodder for cattle except Grain, Tiles, Bricks, Baskets, Stones, Chunam, Limestones, Salt, Vegetables, and Fruits of all sorts excepting Betel Leaves, Empty Casks, Bottles, Gunnies, and Earthen Pots, Tents and Rahoottees, and Furniture when not brought for sale. ...	12 annas per cart load...	

SATTARA MUNICIPALITY.—*Total Revenue, Rs.* 28,231 ; *Amount of Revenue derived from Town Duties, Rs.* 18,055—

	Per cart load.			Per camel load.			Per bullock, buffalo, mule or tattoo load.			Per ass load.			Per head load.			
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	
Grain	0	6	0	0	4	0	0	1	6	0	1	0	0	0	6	No refund of Town Duties paid is allowed on articles re-exported, and the duties paid on such articles are therefore Transit Duties.
Hides and Horns of sorts ...	2	4	0	1	12	0	0	9	0	0	5	0	0	3	0	
Metals of sorts	2	4	0	1	12	0	0	9	0	0	5	0	0	3	0	
Cotton Ropes, Twine ...	1	8	0	1	2	0	0	6	0	0	3	0	0	2	0	
Coir, Flax, Ghayal, Hemp, Ambody, &c., whether manufactured into Ropes or otherwise	0	3	0	0	2	0	0	0	9	0	0	6	0	0	3	
Oil Seeds of sorts	0	8	0	0	6	0	0	2	0	0	1	0	0	0	9	

Principal articles entering into the general trade of the country on which Town Duties are levied.	Rate of Duty levied on these articles.	Remarks by the Committee of the Bombay Chamber of Commerce.
SATTARA MUNICIPALITY.—*Continued.*		
Cotton and Wool 6 annas per bale		
Cotton Twist and Thread Re. 1 per bale		
Silk Thread 2 annas per seer of 2 2/35 lbs.		

BELGAUM MUNICIPALITY.—*Total Revenue, Rs.* 18,815 ; *Amount of Revenue derived from Town Duties, Rs.* 12,000—

	Per cart load of two bullocks. Rs. a. p.		Per bullock load. Rs. a. p.	
Cotton Ropes	0 6 0	.....	0 1 6	Refund of duty levied on articles imported, intended for transmission to other places, is allowed under Rule 2, viz.,- "All imported goods, that may be intended for transmission to other places, shall, on entering a gate of the town, be reported to the Nakedar, and the Boxes, Bags, or Bundles, containing such goods, shall be marked by him, and a refund of the import tax paid shall be allowed if application be made within seven days from the date of importation, and if the Municipality is satisfied that the goods are about to be exported." The duties, then, levied on articles subsequently exported are in reality Transit Duties for it would be hardly possible to comply with such conditions, and the Committee can quite comprehend the Collector's remark that no instance has occurred in which drawback was claimed on articles imported into the town but subsequently exported.
Coir and Coir Ropes, Hemp and Hemp Ropes, Flax and Flax Ropes	0 4 0	.....	0 1 0	
Cotton Goods, European and Country, including Bombay made	1 8 0	.....	0 6 0	
Woollen do. Boornoos, Cumblees, Wool	0 4 0	.....	0 1 0	
Shawls, Woollen Carpets, Country (Galleechay) ...	2 0 0	.....	0 8 0	
Silk Cloth of various kinds, country, including Bombay made	2 0 0	.....	0 8 0	
Yarns and Twist (Cotton, Silk, &c.), Raw Silk ...	1 0 0	.....	0 4 0	

Cotton Tape (Kachay Puddum)	0	4	0	.....	0	1	0
Indigo	4	0	0	.....	1	0	0
Other Dyes	0	8	0	.....	0	2	0
Tanned Hides	0	8	0	.....	0	2	0
Horns and Hides	0	6	0	.....	0	1	6
Co per	1	8	0	.....	0	6	0
Tin and other metals not specified, except Gold or Silver	1	0	0	.....	0	4	0
Iron	0	8	0	.....	0	2	0
Oi s	1	0	0	.....	0	4	0
Grain, Wheat, &c... ...	0	8	0	.....	0	2	0
Oil Seeds	0	6	0	.....	0	1	6

TANNA DISTRICT MUNICIPALITY, *including the Municipalities of Tanna, Kallian, Bhewndy, Bassein, Kelwi-Mahim, Dhanoo, Panwell, Oorun—Total Revenue, Rs.* 56,569 ; *Amount of Revenue derived from Town Duties, Rs.* 20,844—

Iron, Tin, and Lead ...	In Dhanoo, 6 pies per maund of 28 lbs.	No drawback is allowed on articles imported into the town but subsequently exported, and the duties paid on such articles are therefore Transit Duties.
Do. do. do. ...	In Bassein, Re. 1 per candy of 746 lbs.	
Iron	In Kelwi-Mahim, 1 anna per maund	The right of levying Town Duties is sometimes farmed for lump sums along with other taxes.
Copper, Brass, Zinc ...	In Dhanoo, 4 annas per maund	
	In Bassein, 4 do. do.	
Coir	In Dhanoo, 1 anna and 6 pies per maund... ...	The tax on cloth is levied on all sorts of cloth, including Piece Goods : there is no duty on twist.
	In Bassein 1 anna per maund	
	In Kelwi-Mahim, 1 anna per maund	
Cloth	In Kelwi-Mahim, 2½ per cent. ad valorem	
	In Dhanoo, 1 per cent. ad valorem	

J. A. FORBES, Chairman.

J. GORDON, Secretary.

Bombay, 14th October 1875.

GENERAL DEPARTMENT,

BOMBAY CASTLE, 18th May, 1876.

From the Hon. E. W. RAVENSCROFT, C.S.I., Acting Chief Secretary to Government, to J. GORDON, Esq., Secretary, Bombay Chamber of Commerce.

SIR,—I am directed to acknowledge the receipt of your letter, dated 26th October, 1875, on the subject of the expediency of abolishing transit duties levied by the Municipalities in this Presidency, and of confirming the Municipal town duties in accordance with the principles of Municipal taxation defined by the Government of India in their Resolution dated 14th November 1868.

2. In reply, I am directed to state that His Excellency the Governor in Council does not by any means deny the force of many of the representations made by the Chamber of Commerce, and concurs that transit duties are in their nature objectionable. But he cannot lose sight of the facts that it has been the policy of the Government in requiring Municipal bodies to provide for the local management of the towns, to give them much latitude in determining from what sources their funds should be obtained, and that the great majority of those bodies have a decided preference for octroi duties over house taxes and other forms of direct taxation.

3. It is no doubt almost impracticable to prevent octori duties from assuming in some degree the nature of transit duties, but feeling that considerable freedom of choice must be left to the Municipalities, Government can but use its best efforts, in each case as it arises, to avert anything decidedly objectionable either in the imposition or the mode of collection of the Municipal taxes,—I have, &c.,

D. MACKENZIE,
For Acting Chief Secretary to Government.

BOMBAY CHAMBER OF COMMERCE, 28th June 1876.

THE CHIEF SECRETARY to GOVERNMENT, General Department, Bombay.

SIR,—I am directed by the Committee of the Chamber of Commerce to acknowledge the receipt of your letter No. 1570, of the 18th ultimo, from which they regret to learn that whilst His Excellency in Council "concurs that transit duties are in their "nature objectionable, he cannot lose sight of the fact that the "great majority of Municipal bodies have a decided preference for "octroi duties over house taxes and other forms of direct taxation: "further, that it appears to His Excellency in Council that it is no "doubt almost impracticable to prevent octroi duties from assum-"ing in some degree the nature of transit duties, but feeling that "considerable choice must be left to the Municipalities, Govern-"ment can but use its best efforts in each case as it arises to avert "anything decidedly objectionable either in the imposition or the "mode of collection of the Municipal taxes."

I am directed respectfully to urge in reply to His Excellency's

communication that all that the Chamber prayed for was that the rules prescribed for general adoption by the Government of India in section 25 of its Resolution of 14th November 1868 should be adhered to; and His Excellency in Council is doubtless aware that the Governor-General in Council then requested that these rules might not be deviated from without the previous sanction of the Government of India. Transit duties are throughout that Resolution expressly condemned, and the Chamber ventures with great deference to doubt if it is competent for His Excellency in Council to approve of the imposition of transit duties, or of the adoption by Municipalities of rules which impose conditions and restrictions in the granting of refunds of town duties having the effect of converting these duties into transit duties. His Excellency in Council would doubtless disavow any intention that transit duties, openly levied as such, should form any part of the Municipal system of taxation in this Presidency, although no allusion is made to the instances pointed out by the Chamber of such duties being levied; nor can the Chamber conceive anything more objectionable or more demanding immediate redress than the impracticable conditions and restrictions interposed in the granting of refunds of town duties which make these duties transit duties under another name.

Even if His Excellency felt any difficulty, on financial grounds, of restricting the imposition of town duties, in accordance with the Resolution of the Government of India aforesaid, no difficulty need have been apprehended in abolishing all transit duties levied by the Municipalities in this Presidency, and in so altering the rules under which refunds of town duties paid are granted as to divest these duties of the character of transit duties. For the loss of revenue which the various Municipalities would sustain from the abolition of these duties would be small and easily replaced from other sources, while the natural course of transit trade would be relieved of the vexatious interference to which it is now subjected. Transit duties, in their naked form, are levied in this Presidency, so far as the Chamber is aware, only in Kurrachee, Broach, and Surat; and the duty imposed in the last-named town, being on spirits manufactured at the Government Distillery, is of a less objectionable character. In the numerous instances, submitted by the Chamber with its letter of 26th October last, showing the restrictions interposed in the granting of refunds, no case was adduced in which, as His Excellency in Council supposed, it would be almost impracticable to prevent town duties from assuming the nature of transit duties; and such cases, the Chamber believes, very rarely occur. But it was shown that, in nearly every Municipality in the mofussil, the town duties levied are converted into transit duties by the stringent and illiberal nature of the rules under which refunds are granted. By section 14 of the Mofussil Municipal Bill No. 8 of 1873, it is enacted that all rules shall be approved, altered, or rescinded by the Governor in Council; and the Chamber respectfully submits that these rules should, wherever their effect is practically to convert town into transit duties, be altered or rescinded so as not to interfere with the general course of trade.

It is no doubt perfectly true that town and transit duties, and

particularly the latter, are preferred by Municipalities, in every country where such bodies exist, to house taxes and other forms of direct taxation. The Chamber, in its representation to Government on the subject of Municipal taxation, has, on several occasions, dwelt upon this well-known fact, and the Government of India in para. 14 of its Resolution of the 14th November 1868, thus refers to it :—" No imposts are so generally popular among " the more influential classes in towns. They yield large revenues, " they provide the means for carrying out many local improve- " ments, and, in so far as they are really transit duties, they enable " the towns-people to make others bear the burden of taxation which " should properly fall upon themselves." It is, moreover, from these classes, who generally are owners of house property, that the Municipalities of the towns and districts of this Presidency are formed. Now, section 21 of the Mofussil Municipal Bill aforesaid empowers every Municipality to impose any tax, toll, or other impost, the approval of the Governor in Council being all that is requisite. Municipalities so constituted, and vested with such powers, will naturally avail themselves of every opportunity to levy duties on articles of commerce passing through their respective limits, by which means they escape from the burdens which they should bear themselves ; and the Chamber respectfully urges that it is, therefore, the more incumbent on the Government to watch with a jealous eye the nature of the taxes imposed by these Municipalities, and to prohibit all such as weigh heavily upon any article, or which in practical operation are transit dues under another name.

The Chamber had hoped that the letter of the Government of Bombay, No. 1968 of the 2nd July, 1875, to the Government of India, might have been accepted as an earnest of the intention of Government to prohibit the imposition of transit duties, and to alter or rescind all rules, with respect to the granting of refunds of town duties, under which conditions and restrictions are imposed which have the effect of converting these duties into transit duties. In that letter the Bombay Government stated that it desired to see the system on which the Municipal dues were levied in Bombay divested of anything that could give them the character of transit duties ; and the views, which His Excellency in Council then held with respect to Bombay, were doubtless intended, it was supposed to be equally applicable to every Municipality in the Presidency That these expectations should have been so completely disappointed, without, moreover, anything having in the meantime occurred to induce His Excellency in Council to change his opinion is a matter of extreme regret not only to this Chamber, but to all who are interested in the mercantile prosperity of the Presidency.

With regard to that portion of the Resolution of the Government of India aforesaid, which confines Municipal town duties to a few articles of local consumption, such as ghee, firewood, fruit, vegetables, fowls, eggs, and animals for slaughter, and which exempts from Municipal taxation articles liable to customs duty and imported into India by sea, the Chamber is aware that these rules cannot be adopted without considerable loss of revenue to some of the Municipalities, which would doubtless necessitate the loss being made good from other sources. I am, however, desired to impress upon His Excellency in Council the great importance,

in the general and mercantile interests of the country, of articles of commerce being relieved from Municipal imposts, particularly those articles which have been imported into India, and have already borne an imperial customs duty. If such articles cannot be altogether freed from Municipal taxation, the duties should, in the interests of the Municipalities themselves, be reduced to very low, moderate, rates.

In conclusion, I am directed respectfully to ask that His Excellency in Council will be graciously pleased to reconsider the Chamber's representations on the subject of these Municipal duties, and to favour the Chamber, at an early date, with information as to the action which His Excellency in Council may be pleased to take in respect to them.—I have, &c.,

J. GORDON, Secretary.

No. 369 OF 1877.

GENERAL DEPARTMENT,

BOMBAY CASTLE, *7th February* 1877.

From the Honourable E. W. RAVENSCROFT, C. S. I., Chief Secretary to the Government of Bombay, to the SECRETARY, Chamber of Commerce, Bombay.

SIR,—I am directed to acknowledge the receipt of your letter of the 28th June last, relative to the levy of transit duties by the Municipalities of the Bombay Presidency, and in reply to state that the subject of your communication has been fully considered by the Government and the local officers, and that the views enunciated by Government in their letter of the 18th May 1876 are those still maintained by His Excellency the Governor in Council.

2. I am to add that Government are anxious that as few obstacles as possible shall be thrown in the way of *bona fide* applicants for refunds.—I have, &c.,

T. D. MACKENZIE,
For Chief Secretary to Government.

No. 987 OF 1878.

GENERAL DEPARTMENT,

BOMBAY CASTLE, *25th March* 1878.

From J. NUGENT, Esq., Acting Secretary to Government, to the SECRETARY to the Bombay Chamber of Commerce.

SIR,—I am directed by His Excellency the Governor in Council to acknowledge the receipt of your letter dated the 14th instant, submitting a representation on the subject of the expediency of introducing at an early date into the

Legislative Council of His Excellency a Bill to amend the Bombay District Municipal Act VI of 1873 by abolishing the present mode of raising municipal revenue in the cities and towns of this Presidency, and in reply to state for the information of the Chamber, that the subject is under the consideration of Government.—I have, &c.,

D. MACKENZIE,
For Acting Secretary to Government.

APPENDIX D.

NEW CONSOLIDATED CUSTOMS BILL.

Notes of what passed at the Conference on the 9th of November 1877 *between the Honourable Mr. T. C. Hope and several members of the Chamber of Commerce relative to the new "Sea Customs Bill,* 1878."

The object of the recent visit of the Honourable T. C. Hope to Bombay was to consult with the merchants of this port on the new Consolidated Customs Bill entitled—"a Bill to consolidate and amend the laws relating to the administration of the department of sea customs in India"—which is now before the Supreme Legislative Council. Mr. Hope met several members of the Chamber of Commerce on the 9th of November 1877 and some hours were devoted to a careful and minute discussion of the Bill, with the result that several alterations and amendments were suggested by the Chamber and taken note of by the honourable gentleman who is sponsor of the Bill and has it still in charge. The gentlemen who were present to meet Mr. Hope were, the Hon. Walter Lang (Messrs. Finlay, Scott and Co.), Chairman; Mr. Donald Graham (Messrs. Graham and Co.); Mr. Hamilton Maxwell (Messrs. Nicol and Co.); Mr. G. A. Kittredge (Messrs. Stearns, Hobart and Co.); Mr. C. F. Meilli (Messrs. Volkart Bros.); Mr. C. Macdonald (C. Macdonald and Co.); Mr. J. L. Symons (Messrs Finlay, Muir and Co.); Mr. F. D. Parker (P. and O. Co.); and Mr. J. Gordon (Secretary to the Chamber). The Bill is a carefully prepared and comprehensive measure, and a great improvement upon existing legislations of this class. A number of useless and objectionable provisions now in force are abandoned altogether, and some fresh sections are introduced—either from the English Acts, or altogether new—which are calculated to afford satisfaction to those chiefly affected by the measure. Amongst these new sections is one (section 45) which the Chamber do not regard with satisfaction. This section proposes to enact that "when a contract is entered into for the sale of any duti-"able goods at a fixed price, including the duty leviable in

" British India at the date of the contract, and before the " contract is fully performed the duty on such goods is raised " or lowered, and levied accordingly the amount to be paid to " or received by the parties to the contract shall be increased " or diminished, as the case may be, by the amount by which " such duty is raised or lowered," according to which, as is explained in the " illustrations" attached, if " A, a merchant " in Calcutta, contracts with B., a merchant in Liverpool, " to sell him 100 maunds of indigo at Rs. 200 per maund, " including the export duty at the rate of three rupees per " maund, and before the contract is fully performed, the duty " on indigo is reduced to one rupee per maund, B. is entitled " to deduct from the price agreed on Rs. 200, being Rs. 2 per " maund." The Chamber consider that this section should be omitted, as likely to cause a great amount of litigation, and that merchants should be left to look after their own interests.

Section 46 is also new, but is regarded favourably, as extremely liberal to the trade of the country. It provides that, " When during the transit by sea to British India of " any dutiable goods, the duty on such goods is raised, the " duty leviable on such goods on arrival shall be the duty " which was in force in respect of such goods when such " transit commenced, and when the duty on such goods is " reduced, the duty leviable thereon shall be such reduced " duty."

By another new section (No. 58) it is proposed to be enacted that where a claim for drawback amounts to less than Rs. 10, and the Customs-collector thinks fit to reject it, no drawback shall be allowed. This does not much concern the merchants, but will be important to small traders.

An important new provision is contained in section 64, that " a ship's agent duly appointed and accepted" may deliver the manifest.

To the circumstances under which port-clearance may be refused to any vessel, contained in section 71, the following very important condition is added, viz. :— " Until a bond " and security for the clearance of the import manifest " within a reasonable period have been given by a duly " appointed and accepted agent for the master, the amount " of such security and the length of such period being fixed " in each case by such Customs-collector." This clause has been inserted in consequence of a long correspondence

which arose out of a complaint by the Bombay Chamber of Commerce to Government of a practice of masters entering in the manifest the names of the ships' agents as consignees of the cargo, and the true consignees complaining of delay in receiving their goods and the departure of vessels in the interim.

Sections 97 and 98 are new, and have been inserted to provide for the prompt discharge of cargo, in cases of urgent necessity, or where there are special facilities for it. Clause (c) of section 98 enacts that the master of any vessel shall be permitted to discharge the cargo of his vessel, or any portion thereof, immediately on the receipt of permission to break bulk "into the custody of responsible and "authorised agents of the ship, if willing to receive the "same, for the purpose of landing the same forthwith at the "Custom-house, or any such landing place or wharf. . . . . "Any ships' agents so receiving any goods or cargo shall be "responsible to pay all claims for damage or short delivery "which may be established by the owner thereof, and shall "be entitled to recover from such owner his charges for ser-"vice rendered, but not for commission or the like claimed "by any agent or consignee previously constituted by the "owner."

We also observe that to section 107 a new clause has been added to make it clear that a fresh bond is not indispensible on every fresh removal of the goods while in warehouse. This has been inserted in accordance with a suggestion from British Burmah. The new clause runs as follows:—"Every such bond shall, unless the Chief Officer of "Customs in any case deems a fresh bond to be necessary, "continue applicable to the goods notwithstanding their "subsequent removal to another warehouse or warehousing "port."

There is a change for the better again in the definition of the word "master," which is made to include "a ship's "agent appointed in writing to be responsible by the master "on his behalf, when such appointment is approved by the "Customs-collector."

Besides the omission of section 45, the Bombay Chamber of Commerce suggest several other alterations and amendments.

Clause (d) section 17 of the Bill as framed would prohibit the importation into or exportation from British India, amongst other things, of "articles of foreign manufacture

" bearing any names, brands, or marks being or purporting " to be brands or marks of manufacturers resident in the " United Kingdom or British India." The Chamber suggest that after the fourth word of the clause, " manufac- " ture," should be inserted " not made in the United " Kingdom or British India."

The Chamber are of opinion that section 18, prohibiting the importation of arms and ammunition without license, should be omitted, on the ground that the prohibition is sufficiently provided for in the " Arms Act."

Section 28 as drafted reads :—" All goods derelict, jet- " sam, flotsam, and wreck, brought or coming into any Cus- " toms-port, shall at all times be subject to the same duties, " if any, to which goods of the like kind are subject on impor- " tation at such port, unless it be shown to the satisfaction of " the Customs-collector that such goods are the produce or " manufacture of any country or place, by virtue of which " they are entitled to be admitted duty-free." The Chamber of Commerce urge that a receiver should be appointed to collect all derelict goods, as neither the police nor any other authorities at present appear to consider it their duty to take charge of such goods. Mr. Hope expressed an opinion to the Chamber that the police were empowered by law to receive goods of this description, but promised to enquire and communicate again with Mr. Maxwell or the Chamber on the point.

Section 42, providing for the disposal of damaged goods and levy of duty thereon, states :—" On goods the value of " which has been fixed by law for the purpose of levying " duties thereon, no abatement of duties shall be allowed, " unless they be deteriorated to the extent of one-fifth of " their value." The Chamber consider that the percentage here proposed to be fixed is too high, and that it should be placed at 10 per cent. instead of 20 per cent.

In Section 63, providing for amendment of manifests, the Chamber recommend the insertion of the words italicised below, in the position in which they are here placed. The third clause of the section runs—" But the receiving of " such amended or supplementary document shall always be " discretionary with such Customs-collector, and if he decide " to receive any such amended or supplementary manifest, " he may *(if he thinks necessary)* levy thereon such fee as the " Chief Customs authority from time to time directs." It appears that the present practice of the Customs people in

levying fines causes a good deal of annoyance, and it is with a view to modifying this that the amendment is recommended in this section, the Commissioner of Customs at present asserting that he has no option but to levy a fine.

Section 70, as drafted, would enact that a ship's manifest must be delivered within three days from the date of grant, and the Chamber recommend that the time be extended to five days.

Again, in reference to section 99, which proposes to provide that if goods are not cleared within two months from the date of landing, they shall be sold, the Chamber recommend an extension of the term to six months.

Section 139 of the Bill reads :— "When goods are passed "through the Custom house for shipment on an application "presented after port-clearance has been granted, *two per "cent. upon the market value of any such goods not liable to duty, "or liable to specific duties according to weight or quantity "only, or to duty according to value and upon the tariff value "of goods so passed which are liable to duties on fixed tariff "valuations,* shall in every case be levied, in addition to any "duty to which such goods are ordinarily liable." The Chamber consider that 2 per cent. is too high a rate, and also that the penalty ought to fall on the master, who would be at fault, and not on the owner of the goods. They recommend that the words "the master shall be liable to "a penalty not exceeding Rs. 50" should be substituted for words italicised in the above copy of the section.

Section 149 as drafted will provide for "spirits manu-"factured in British India and exported from any Customs "port to another Customs port say Bombay to Calcutta, or "Madras, shall be chargeable at the port of importation with "Customs duties at the ordinary rate fixed for duties, on "spirits of the like kind and strength imported into such "port." According to the Tariff Act, this duty would amount to Rs. 4 per gallon, and the Chamber consider such a provision unjust and prohibitory, it being about double the excise duty on Indian made spirits ; and they suggest that the duty chargeable at the port of importation should be the ordinary excise duty only.

With regard to Chapter XIII. relating to the coasting trade, the Chamber consider that the coasting traffic should be encouraged in every way, and if the Customs authorities are satisfied as to their power of preventing smuggling, that the concession of bringing native craft under the Act, which

is in itself very liberal and beneficial to trade, should be granted.

Some sections of the Bill provide for confiscation of goods in cases where, as the Chamber point out, the master of the vessel, and not the owner, must be at fault; and in reference to these the Chamber suggest that the principle should be adhered to throughout of imposing penalties on those only who are at fault. The Chamber also complain that the penalties under this Bill, as under all the Merchant Shipping Acts of India, are far too heavy, as compared with those imposed under the English law.

No. 203 OF 1877.

CHAMBER OF COMMERCE, BOMBAY, 16*th November* 1877.

The Honorable T. C. HOPE, C. S. I., Additional Member of the Legislative Council of the Governor-General.

SIR,—The Committee of the Chamber of Commerce desire me to request the favour of your attention to paragraph (d) of section 58 of the new Customs Bill, which quite escaped their notice when they had the pleasure of discussing with you the various sections of the Bill on the 9th instant.

The paragraph enacts that drawback shall not be allowed "where the claim is for drawback amounting to less than "ten rupees, and the Customs-collector thinks fit to reject "it." The effect of this paragraph will be that a bale or case of yarn or goods exported to foreign ports will not, in many cases, be entitled to drawback. For instance, a bale of grey yarn, consisting of 300 lbs. at about 9 annas per lb., would not be entitled to drawback. Neither would a case of Turkey Red Goods, the bulk of which comes in cases containing 60 pieces, the value of each piece being Rs. 3½, nor would a case of Fancy White Goods, which are packed in cases of 150 pieces, each piece being valued at Re. 1½. A case of White Shirtings would also be excluded from allowance for drawback; cases of White Shirtings contain each 30 pieces, each piece being of the value of Rs. 7, seven-eighths of the duty on which would not amount to the proposed minimum limit. In these and numerous other instances drawback would therefore not be allowed, and as a large portion of the trade to the

Persian Gulf, and the coast of Arabia and Africa is carried on by petty traders who not unfrequently export one bale or case at a time, the proposed limitation will operate as a very great hardship and restriction upon them.

The paragraph appears to be altogether new, and the Committee hope that it will, for the reasons stated above, be entirely omitted from this Bill; but if Government considers it necessary to fix some limit, the Committee respectfully suggest that it should not exceed Rs. 3, as any higher amount will produce hardship and tend to injure trade.—I have, &c.,

J. GORDON, Secretary.

Extract from Mr. Hope's reply, dated Darjeeling, 1st November 1877.

"I have had the pleasure to receive your letter of the "16th instant, which shall have my best attention as soon "as I reach Calcutta at the end of this week."

APPENDIX E.

IMPORTATIONS OF TIMBER FROM BURMAH FOR SALE IN BOMBAY ON ACCOUNT OF GOVERNMENT.

No. 5 of 1878.

Chamber of Commerce, Bombay, 11th *January* 1878.

To the Chief Secretary to Government, Bombay.

Sir,—It has been brought to the notice of the Chamber of Commerce that the Government of India has recently imported from Moulmein by the ship "Neuva Providencia"

733	Logs	Teak Timber	measuring	Tons	500	14	1 10
1489	Pieces	do.	do.		60	31	10 10

all marked

and that this timber has been placed in the hands of Messrs. Wallace & Co. for sale in the Bombay market.

The immediate effect of this importation, and of the rumours which were at the same time current that Government intended sending further shipments to Bombay for sale, was a fall in the market price of timber of Rs. 10 to Rs. 20 per ton; and so long as the uncertainty as to the intentions of Government lasts, the disturbance in the market will continue.

The Chamber protests against the action of Government in interfering with the timber trade between Burmah and Bombay, as the competition of Government with private traders is certain to result in great injury to the trade; and it respectfully suggests, that Government should adhere to a definite policy, and that all future sales should either be made in Moulmein, or, if it is deemed advisable to export, that it should in this, as in similar cases, notify the quantities and descriptions expected, and advertise them for sale by public auction at stated times.—I have, &c.,

J. GORDON, Secretary.

RANGOON CHAMBER OF COMMERCE, 14*th December* 1877.

The SECRETARY to the CHIEF COMMISSIONER of BRITISH BURMAH.

SIR,—I have the honour, by direction of the Committee of this Chamber, to address you with reference to the recent operations and present policy of the Forest Department in dealing with supplies of timber from the Government Forests.

A copy of a Memorial to the Chief Commissioner on this subject signed by Merchants and others interested in the timber trade of Moulmein has been sent to the Chamber, and the Committee have also had before them in connection with the matter, a letter addressed to the Chief Commissioner by Messrs. Bulloch Brothers and Co., in October 1875, and a letter addressed to the Secretary to the Chief Commissioner by the Conservator of Forests, dated 8th November 1875, which was sent to Messrs. Bulloch Brothers and Co., in reply to their letter above referred to. The Memorial from Moulmein referred to above shows that, during the years 1876 and 1877 (up to 1st November) upwards of 7,000 tons of converted timber were exported from Moulmein by the Forest Department. From the statements enclosed, it will be seen that of this quantity 760 tons were shipped to England on account of the Admiralty, and upwards of 2,000 tons consisted of sleepers sent to Rangoon for the Irrawady Valley State Railway. The Committee are of opinion that even these shipments are only justifiable if it can be shown that the timber was supplied at a cheaper rate than it could have been obtained in any other way, which it would probably be difficult to demonstrate, but admitting the right of one Government Department to supply another with material and that no exception can be taken to these transactions, there is still a balance of upwards of 4,300 tons of converted material shipped to different markets for sale on account of the Forest Department, and coming into direct competition with shipments made by private firms and individuals engaged in the trade. Transactions of this magnitude, I am desired to say, amount to a serious interference with private trade and form a strong ground for complaint, and the Committee trust that the matter will have the early attention of the local Government.

There can be no doubt that the preservation of forests is one of the first duties of the State, and the produce derived from them is therefore a legitimate source of revenue ; but there should be a reasonable limit to the extent of this revenue, and it is clearly not the duty of Government to assume the function of merchants and manufacturers as well as foresters, merely for the purpose of monopolizing all the profits derivable from timber from the time it is felled in the forests, until in a variety of forms it passes into the hands of the actual consumer.

The object of Government should be to work the forests in the best manner compatible with their proper protection and reservation. The realization of a fair amount of revenue, and the rights of the people. At present the sole aim of the Forest Department appears to be to secure the greatest amount of revenue, no matter what means may have to be employed to secure this end or what interests may be sacrificed in its attainment. This is clearly subversive of one of the first principles of political economy

which assumes that every Government exists for the benefit of the people.

If the felling and extraction of timber from the State forests are legitimate duties for the Government to undertake, its subsequent conversion and shipment are no less legitimate objects of private enterprise, and for Government to pursue its functions further, after bringing the timber to the nearest market, is to place a restriction upon the industry which it is the duty of Government to foster and encourage by every means in its power.

The Conservator of Forests in his letter of 8th November 1875, in the first instance endeavours to excuse the transactions complained of on the ground that the timber sold consisted of material cut from refuse of sleepers sawn up for the State Railway (and had they been confined to this, little harm could have resulted, but it will be seen that they have assumed a much greater magnitude), and further on in the same letter not only defends the system and expresses his determination to continue it, but recommends that it should be extended and increased. The injury done to private trade from these transactions on the part of Government is much greater than would arise from a similar amount of opposition in the ordinary course of business, because Government cannot only produce converted timber at prices which defy competition, having nothing to pay but the expense of bringing the logs out of the forest and the cost of sawing them up, but they can also afford to sell at lower prices than others, there being practically no one responsible for the result of such shipments, and where there is no responsibility the vital interest, which is necessary to bring any transaction to a successful issue, must be wanting also.

It is easy, of course, for Government, under the circumstances referred to above, to show imaginary profits, but were the value of the material, interest on capital, and other elements of cost taken into account, the result would probably be different.

The Moulmein memorialists are probably not far wrong when they say that "a careful study of the accounts embracing all the "transactions in converted teak would show that really nothing "had been gained by departing from the former rule of selling "only round logs as they came from the forests."

The necessity for some such investigation is strongly apparent in the case of the shipment per "Dreadnought" from Moulmein, 9,708 logs having been cut up to produce 760 tons timber suitable for the requirements of the Admiralty.

Any one acquainted with the timber trade can easily form some appreciation of what this cargo must have cost, and whether the result can have been a profitable one. As regards the working of the State Forests, it may be doubted whether the present system is the best even in the interests of Government. There appears to be no doubt that it produces a larger amount of revenue than the former permit system, but Government should look quite as much to the benefit arising from the development of the resources of the country and the encouragement of private enterprise as to immediate gain from one particular source. The present system savours very much of what the Conservator of Forests strongly condemns in private individuals. The permit system, conducted

under more liberal rules and hampered with fewer restrictions, might even produce as much immediate revenue as the present system of working the forests by direct Agency. The Conservator advances numerous arguments in favour of the present system, but he loses sight of a great deal that might be urged against it. Under the theoretical system of rotation at present followed, large numbers of full grown trees are allowed to decay and to be destroyed in the forests which, under a proper system, might be extracted without diminishing the value of the forest or interfering with future supplies, and thus furnish a contribution to the revenue which is now entirely lost. Further, it is not the interest of a permit holder to incur "a reckless waste of timber" such as is so often referred to in the correspondence under notice; very small trees are usually not worth the expense of extracting, and there are in every forest numbers of unsound and unshapely trees, which it would be to the interests of a permit holder to leave untouched, but whose seed bearing capabilities would be quite sufficient to maintain the supply of teak in the Forest. In this way it would probably be sufficient for all purposes of conservancy, if properly defined tracts of Forest were periodically thrown open to permit holders with the single restriction that no trees below a certain girth should be felled. It is not intended by these remarks to throw any doubt upon the necessity for careful conservancy, but merely to raise the question whether the present system is the best that could be devised.—I have, &c.,

JOHN CONNELL, Secretary pro-tem

Extract from letter dated Moulmein, 30th January 1878, received by a firm in Bombay from their correspondents in Moulmein.

Government Timber.—The Forest Department have discontinued converting logs. Their stock of round logs at Kador is now small, and we do not think they have any intention of again resorting to the converting of their own logs, but will realise them in the rough form. They assert that they all along disapproved of conversion on their own account, but that they were forced to it owing to owners of mills not coming forward and buying their logs at reasonable rates. During the next few years they do not intend to aim at extracting from the Government forests over 10,000 logs per annum, and if they stick to this intention, they should have no difficulty in selling in the form of logs we think. When our Rangoon firm wrote you sometime ago, indicating that the Forest Department might become regular shippers, they (the Forest Department) did not then contemplate discontinuing converting their own logs, and moreover they held in Moulmein several thousand tons of squares, &c., suitable for Indian markets. They have since placed nearly the whole either by auction or private sale.

APPENDIX F.

THE NEGOTIABLE INSTRUMENTS BILL.

No. 6764 OF 1877.

JUDICIAL DEPARTMENT,
BOMBAY CASTLE, 5TH *November* 1877.

To the SECRETARY to the BOMBAY CHAMBER of COMMERCE.

SIR,—I am directed to forward herewith copy of a letter from the Secretary to the Government of India, Legislative Department, No. 824, dated the 18th ultimo, together with copy of "the Negotiable Instruments Bill, 1877," and of the preliminary Report of the Select Committee thereon, and to request that Government may be favoured with the opinion of the Chamber of Commerce on the provisions of the Bill.

2. The Government of India expect the reply from this Government to be sent in not later than 1st January next, and to enable His Excellency in Council to do this, it is necessary that the opinion now called for should be received by this Government before the 15th December at the latest.—I have, &c.,

J. NUGENT,
Under-Secretary to Government.

No. 824.

SIMLA, 18TH *October* 1877.

From A. PHILLIPS, Esq., Secretary to the Government of India, Legislative Department, to the Hon. E. W. RAVENSCROFT, Chief Secretary to the Government of Bombay.

SIR,—I am directed to forward herewith twenty copies of the Negotiable Instruments Bill 1877, in its present stage, and of the preliminary Report of the Select Committee thereon, and to request that His Excellency the Governor in Council will favour the Government of India in this Department with an expression of his opinion on the

provisions of the Bill, and with the opinions of the Hon'ble the Judges of the High Court, and such selected officers (not exceeding six in number) as His Excellency may think fit to consult on the subject.

2. I am also to request that you will obtain and communicate to the Government of India the opinion of the Bombay Chamber of Commerce.

3. I am further to request that the Bill and Report may be published in the *Bombay Government Gazette* in English, and in such other languages as His Excellency may deem proper, and that the dates of such publication may be communicated in your reply.

4. The reply to this letter should be sent in, if possible, by the first of January 1878.—I have, &c.,

A. PHILLIPS,
Secretary to the Government of India.

No. II.

A Bill to define and amend the law relating to Promissory Notes, Bills of Exchange and Cheques.

Whereas it is expedient to define and amend the law relating to Promissory Notes, Bills of Exchange and Cheques; It is hereby enacted as follows:—

Preamble.

CHAPTER I.

PRELIMINARY.

Short title.

1. This Act may be called "The Negotiable Instruments Act, 1877:"

Local extent.

It extends to the whole of British India; but nothing in this Act applies to hundis;

Commencement.

And it shall come into force on the first day of May, 1878.

Repeal of enactments.

2. On and from that day the enactments specified in the schedule hereto annexed shall be repealed to the extent mentioned in the third column thereof.

Interpretation-clause.

3. In this Act—

"Banker."

"Banker" includes persons or a corporation or company acting as bankers, and

"Notary Public" includes also any officer appointed by the Governor General in Council to perform the functions of a Notary Public under this Act.

"Notary Public."

CHAPTER II.

OF NOTES, BILLS AND CHEQUES.

4. A promissory note is an instrument in writing (not being a bank note or a currency note) containing an unconditional undertaking, signed by the maker, to pay a certain sum of money only to, or to the order of, a person ascertainable when such undertaking is made, or to the bearer of the instrument.

Promissory Note.

Illustrations.

A signs instruments in the following terms :—

(*a*) "I promise to pay B or order Rs. 500."

(*b*) "I promise to account with B or order for Rs. 500 value received by me."

(*c*) "I acknowledge myself to be indebted to B in Rs. 1,000, to be paid on demand, for value received."

(*d*) "Mr. B, I O U Rs. 1,000."

The instruments respectively marked (*a*), (*b*) and (*c*) are promissory notes. The instrument marked (*d*) is not a promissory note.

5. A bill of exchange is an instrument in writing (not being a cheque) containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of, a person ascertainable when such order is given or to the bearer of the instrument.

Bill of Exchange.

6. A cheque is an instrument in writing, containing an unconditional order, signed by the maker, directing a specified banker to pay a certain sum of money only to, or to the order of, a person ascertainable when such order is given, or to the bearer thereof.

Cheque.

7. The maker of a bill of exchange or cheque is called the "drawer;" the person thereby directed to pay is called the "drawee."

"Drawer."
"Drawee."

When the bill gives the name of any person in addition to the drawee to be resorted to in case of need, such person is called a "drawee in case of need."

"Drawee in case of need."

After the drawee of a bill has signed his assent upon the bill, or if there are more parts thereof than one, upon one of such parts, and delivered the same, or given notice of such signing, to the holder or to some person on his behalf, he is called the "acceptor."

"Acceptor."

When acceptance is refused and the bill is protested for non acceptance, and any person accepts it *supra protest* for honour of the drawer or of any one of the indorsers, such person is called an "acceptor for honour."

"Acceptor for honour."

"Payee." The person named in the instrument, to whom or to whose order the money is by the instrument directed to be paid, is called the "payee."

"Holder." 8. The "holder" of a promissory note, bill of exchange or cheque means any person entitled in his own name to the possession thereof and to receive or recover the amount due thereon from the parties thereto.

Where the note, bill or cheque is lost or destroyed, its holder is the person so entitled at the time of such loss or destruction.

"Holder in due course." 9. "Holder in due course" means any person who became the possessor of a promissory note, bill of exchange or cheque if payable to bearer, or the payee or indorsee thereof, if payable to, or to the order of, a payee, for valuable consideration before the amount mentioned in it became payable, and without having reason to believe that any defect existed in the title of the person from whom he derived his title.

"Payment in due course." 10. "Payment in due course" means payment in accordance with the apparent tenor of the instrument in good faith and without negligence to any person in possession thereof under circumstances which do not afford a reasonable ground for believing that such person is not entitled to receive payment of the amount therein mentioned.

Inland instrument. 11. A promissory note, bill of exchange or cheque drawn or made in British India, and made payable in, or drawn upon any person resident in British India shall be deemed to be an inland instrument.

Foreign instrument. 12. Any such instrument not so drawn, made or made payable shall be deemed to be a foreign instrument.

"Negotiable instrument." 13. A "negotiable instrument" means a promissory note, bill of exchange or cheque expressed to be payable to, or to the order of, a specified person, or to " or order," or to the bearer thereof.

Negotiation. 14. When a promissory note, bill of exchange or cheque is transferred to any person, so as to constitute that person the holder thereof, the instrument is said to be negotiated.

Indorsement. 15. When the maker or holder of a negotiable instrument signs the same, otherwise than as such maker, for the purpose of negotiation, on the back or face thereof or on a slip of paper annexed thereto, or so signs for the same purpose a stamped paper intended to be completed as a negotiable instrument, he is said to indorse the same, and is called the "indorser."

Indorsement "in blank" and "in full." 16. If the indorser signs his name only, the indorsement is said to be "in blank," and if he adds a direction to pay the whole or any part of the amount mentioned in the instrument to, or to the order of a specified person, the indorsement is said to be "in full;" and the person so specified is called the "indorsee" of the instrument.

"Indorsee."

17. Where an instrument may be construed either as a promissory note or bill of exchange, the holder may at his election treat it as either, and the instrument shall be thenceforward treated accordingly.

Ambiguous Instruments.

18. If the amount promised or ordered to be paid is stated differently in figures and in words, the amount stated in words shall be the amount promised or ordered to be paid.

Where amount is stated differently in figures and words.

19. A promissory note or bill of exchange, in which no time for payment is specified, and a cheque are payable on demand.

Instruments payable on demand.

20. Where a stamped paper, which is intended to be completed as a negotiable instrument, is signed and delivered by a competent person as maker, drawer, acceptor or indorser, the holder thereof may complete the same by filling up any blanks therein, and the person so signing shall be liable upon such instrument, in the capacity in which he signed the same, for any amount which may be specified therein not exceeding the amount covered by the stamp thereon.

Blank stamped instruments.

Illustration.

A stamped paper intended to be completed as a negotiable instrument is made payable to " or order:" the holder of such instrument may fill up the blank with his own name, or that of any other person.

21. Where a promissory note is signed by two persons, and it appears on the face of it that one of them subscribes only to an alternative liability, such one is not liable on the note as maker, but is liable as guaranteeing its payment by the maker.

Subscribing to alternative liability.

22. The maturity of a promissory note, bill of exchange or cheque is the date at which it is payable.

" Maturity."

23. In a promissory note or bill of exchange the expression " at sight" means on demand. The expression " after sight" means, in a promissory note, after presentment for sight, and in a bill of exchange, after acceptance or protest for non-acceptance.

" At sight."
" After sight."

24. In calculating the date at which a promissory note or bill of exchange, made payable a stated number of months after date or after sight, or after a certain event, is at maturity, the period stated shall be held to terminate on the day of the month which corresponds with the day on which the instrument is dated or presented for acceptance or sight or the event happens. If the month in which the period would terminate has no corresponding day, the period shall be held to terminate on the last day of such month.

Date on which bill or note payable so many months after date or sight, or after a certain event, is at maturity.

Illustrations.

(*a*) A negotiable instrument dated 1st February is made pay-

able at one month after date. The instrument is at maturity on the 1st of March.

(*b*) A negotiable instrument dated 29th January 1877 is made payable at one month after date. The instrument is at maturity on the 28th February 1877.

(*c*) A negotiable instrument dated 30th August 1877 is made payable three months after date. The instrument is at maturity on the 30th November 1877.

(*d*) A promissory note or bill of exchange, dated 31st August 1877, is made payable three months after date. The instrument is at maturity on the 30th November 1877.

Date on which bill or note payable so many days after date or sight, or after a certain event, is at maturity.

25. In calculating the date at which a promissory note or bill of exchange, made payable a certain number of days after date or after sight or after a certain event, is at maturity, the day of the date, or of presentment for acceptance or sight, or on which the event happens, shall be excluded.

When day of maturity is a holiday.

26. When the day on which a promissory note, bill of exchange or cheque is at maturity is not a business day, the instrument shall be deemed to be due on the next preceding business day; but if the day of maturity is a public holiday, then on the next succeeding business day.

Explanation.—The expression "public holiday" includes Sundays: New-Year's day, Christmas day: if either of such days falls on a Sunday, the next following Monday: Good-Friday; and any other day declared by the Local Government, by notification in the official Gazette, to be a public holiday within the meaning of this Act.

Presumptions as to negotiable instruments;

27. Until the contrary is proved, the following presumptions shall be made:—

of valuable consideration;

(*a*) that every negotiable instrument was made, drawn, accepted, indorsed, negotiated and transferred for valuable consideration:

as to time of acceptance;

(*b*) that every accepted bill of exchange was accepted within a reasonable time after its date and before its maturity:

as to time of transfer;

(*c*) that every transfer of a negotiable instrument was made before its maturity:

as to payment;

(*d*) that every promissory note or bill of exchange receipted on the back was paid by the maker or acceptor thereof respectively:

that holder is a holder in due course;

(*e*) that the holder of a negotiable instrument is a holder in due course:

as to order of indorsement;

(*f*) that the indorsements appearing upon a negotiable instrument were made in the order in which they appear thereon:

as to stamp.

(*g*) That a lost bill of exchange, promissory note or cheque was duly stamped.

Bills in Sets.

28. Bill of exchange may be drawn in parts, each part being numbered and containing a condition that it shall continue payable only so long as the others remain unpaid. All the parts together make a set; but the whole set constitutes only one bill, and is extinguished when one of the parts, if a separate bill, would be extinguished.

Set of bills.

Exception.—When a person accepts or indorses different parts of the bill in favour of different persons, he is liable on each part as if it were a separate bill.

29. That holder of one of the parts, who first acquired title to his part, is entitled to the other parts of the same set.

Holder of first acquired part entitled to all.

Crossed Cheques.

30. Where a cheque bears across its face an addition of the words "and company" or any abbreviation thereof, between two parallel transverse lines, or of two parallel transverse lines simply, either with or without the words "not negotiable," that addition shall be deemed a crossing, and the cheque shall be deemed to be crossed generally.

Cheque crossed generally.

31. Where a cheque bears across its face an addition of the name of a banker, either with or without the words "not negotiable," that addition shall be deemed a crossing, and the cheque shall be deemed to be crossed specially, and to be crossed to that banker.

Cheque crossed specially.

32. Where a cheque is uncrossed, the holder may cross it generally or specially.

Crossing after issue.

Where a cheque is crossed generally, the holder may cross it specially.

Where a cheque is crossed generally or specially, the holder may add the words "not negotiable."

Where a cheque is crossed specially, the banker to whom it is crossed may again cross it specially to another banker, his agent for collection.

33. Where a cheque is crossed generally, the banker on whom it is drawn shall not pay it otherwise than to a banker.

Payment of cheque crossed generally.

Where a cheque is crossed specially, the banker on whom it is drawn shall not pay it otherwise than to the banker to whom it is crossed, or his agent for collection.

Payment of cheque crossed especially.

34. Where a cheque is crossed specially to more than one banker, except when crossed to an agent for the purpose of collection, the banker on whom it is drawn shall refuse payment thereof.

Payment of cheque crossed specially more than once.

35. Where the banker on whom a crossed cheque is drawn has paid the same in due course, the banker paying the cheque, and (in case such cheque has come to the hands of the payee) the drawer thereof, shall respectively be entitled to the same rights, and be placed in the same position in all respects, as they would respectively be entitled to and placed in if the amount of the cheque had been paid to and received by the true owner thereof.

Payment in due course of crossed cheque.

36. Any banker paying a cheque crossed generally otherwise than to a banker, or a cheque crossed specially otherwise than to the banker to whom the same shall be crossed, or his agent for collection, being a banker, shall be liable to the true owner of the cheque for any loss he may sustain owing to the cheque having been so paid.

Payment of crossed cheque out of due course.

37. A person taking a cheque crossed generally or specially, bearing in either case the words "not negotiable," shall not have, and shall not be capable of giving, a better title to the cheque than that which the person from whom he took it had.

Cheque bearing "not negotiable."

But a banker who has in good faith and without negligence received payment from a customer of a cheque crossed generally or specially to himself shall not, in case the title to the cheque proves defective, incur any liability to the true owner of the cheque by reason only of having received such payment.

CHAPTER III.

Parties to Notes, Bills and Cheques.

38. Every person capable of contracting, according to the law to which he is subject, may bind himself and be bound by the making, drawing, acceptance, indorsement, delivery and negotiation of a promissory note, bill of exchange or cheque.

Capacity to make, &c., promissory notes, &c.

A minor may draw, indorse, deliver and negotiate such instrument so as to bind all parties except himself.

Minor.

39. Every person capable of binding himself or of being bound, as in the last, preceding section mentioned, may so bind himself or be bound by a duly authorized agent acting in his name.

Agency.

A general authority to transact business and to receive and discharge debts does not confer upon an agent the power of accepting or indorsing bills of exchange so as to bind his principal.

An authority to draw bills of exchange does not of itself import an authority to indorse.

40. An agent who signs his name to a promissory note, bill of exchange or cheque, without indicating thereon that he signs as agent, or that he does not intend thereby to incur personal responsibility, is liable personally on the instrument, except to those who knew that he signed as agent, or that he had no such intention.

Liability of agent signing.

41. Where there are several drawees of a bill of exchange who are not partners, each of them can accept it for himself, but none of them can accept it for another without his authority.

Acceptance by several drawees not partners.

42. When it is within the scope of the business of a partnership to make, draw, accept, indorse or negotiate promissory notes, bills of exchange or cheques, any partner may bind his firm by making, drawing, accepting, indorsing or negotiating such instruments in the name of his firm, but not otherwise.

When partnership bound by promissory notes, &c.

Exception.—A partner may bind his firm by accepting in his own name, for partnership purposes, a bill drawn upon the firm.

43. In the absence of a contract to the contrary, the provisions of the Indian Contract Act, 1872, sections 42, 43 and 45, and those of chapter XI of the same Act shall respectively apply to all joint rights and liabilities created by promissory notes, bills of exchange and cheques, and to the rights and liabilities thereon of partners.

Partnership and joint rights and liabilities.

44. The drawer of a bill of exchange or cheque is bound, in case of dishonour by the drawee or acceptor thereof, to compensate the holder for any loss or damage caused thereby, provided due notice of dishonour has been given to, or received by, the drawer as hereinafter provided.

Liability of drawer.

45. The drawee of a bill of exchange or cheque, having sufficient funds of the drawer in his hands properly applicable to the payment of such bill or cheque, must accept the bill or pay the cheque when duly required so to do, and, in default of such acceptance or payment, must compensate the drawer for any loss or damage caused by such default.

Liability of drawee.

46. Except as provided in sections 38, 61, 62, 63, 79, 85, 89, 90, 104, and 109, and in the absence of a contract to the contrary,—

Liability of maker of note and acceptor of bill.

(*a*) the maker of a promissory note and the acceptor before, maturity of a bill of exchange, are bound to pay the amount thereof according to the apparent tenor of the note or acceptance respectively, and

(*b*) the acceptor of a bill of exchange at or after maturity is bound to pay the amount thereof to the holder on demand.

In default of such payment as aforesaid, such maker or acceptor is bound to compensate any party thereto for any loss or damage sustained by him, and caused by such default.

47. No person except the drawee of a bill of exchange, or all or some of several joint drawees, or a person named therein as a drawee in case of need, or an acceptor for honour, can bind himself by an acceptance.

Only drawee can be acceptor except in need or for honour.

Liability of indorser.

48. Except as provided in sections 38, 61, 62, 63, 75, 76, 79, 82, 83, 85, 89, 93, 104, 105, 106, 108, 109, 110 and 121, clause (*a*), and in the absence of a contract to the contrary, every person who indorses and delivers a negotiable instrument before maturity, without, in such indorsement, expressly excluded or making conditional his own liability, is bound thereby to every subsequent holder, in case of dishonour by the drawee, acceptor or maker, to compensate such holder for any loss or damage caused to him by such dishonour, provided due notice of dishonour has been given to, or received by, such indorser as hereinafter provided.

Every indorser after dishonour is liable as upon an instrument payable on demand.

Liability of prior parties to holder in due course.

49. Every prior party to a negotiable instrument is liable thereon to a holder in due course.

Maker, drawer, and acceptor principals.

50. The maker of a promissory note or cheque, the drawer of a bill of exchange until acceptance, and the acceptor are, as between themselves and any other parties thereto, in the absence of any contract to the contrary between themselves and such parties, liable thereon as principal debtors, and the other parties thereto are liable thereon as sureties for them.

Prior party a principal in respect of each subsequent party.

51. Every prior party to a negotiable instrument is, as between himself and the holder thereof, in the absence of any contract to the contrary between himself and the holder, liable thereon as a principal debtor, and the parties thereto, subsequent to him and prior to such holder, are liable to the holder as sureties for such prior party.

Illustration.

A draws a bill on B, who accepts. A afterwards indorses the bill to C, C to D, and D to E. As between E and B, B is the principal debtor, and A, C and D are his sureties. As between E and A, A is the principal debtor, and C and D are his sureties. As between E and C, C is the principal debtor and D is his surety.

Suretyship.

52. The provisions of sections 132 to 147, both inclusive, of the Indian Contract Act, 1872, shall apply to the relations of suretyship between parties to negotiable instruments.

Discharge of indorser's liability.

53. The indorser of a negotiable instrument is not discharged from his liablity thereupon by the holder having merely forborne to sue a prior party; but where the holder, without the consent of the indorser, destroys or impairs the indorser's remedy against a prior party, the indorser is discharged from liability to the holder to the same extent as if the instrument had been paid at maturity.

Illustration.

A is the holder of a bill of exchange made payable to the order of B, which contains the following indorsements in blank:—

First indorsement, "John DeSouza."

Second indorsement, " Peter Williams."
Third indorsement, "Wright and Co."
Fourth indorsement, " John Rozario."

This bill A puts in suit against John Rozario and strikes out the indorsements by Peter Williams and Wright and Co. A is not entitled to recover anything from John Rozario.

Estoppel against denying original validity of instrument.

54. No maker of a promissory note, and no drawer of a bill of exchange or cheque, and no acceptor of a bill of exchange for the honour of the drawer shall, in a suit thereon, be permitted to deny the validity of the instrument as orginally made or drawn.

Estoppel against denying drawer's signature.

55. No acceptor of a bill of exchange shall, in a suit thereon by a holder other than the drawer, be permitted to deny that the bill was drawn by the person by whom it purports to have been drawn.

Estoppel against denying capacity of payee to indorse.

56. No maker of a promissory note and no acceptor of a bill of exchange payable to, or to the order of, a specified person shall, in a suit thereon, be permitted to deny the capacity of the payee thereof to indorse the same.

Estoppel against denying signature or capacity of prior party.

57. No indorser of a negotiable instrument shall, in a suit thereon by a subsequent holder, be permitted to deny the signature or capacity to contract of any prior party to the instrument.

Acceptor bound although indorsement forged.

58. An acceptor of a bill of exchange is not relieved from liability, by reason that an indorsement thereon is forged, if he knew or had reason to believe such indorsement to be forged when he accepted the bill.

Acceptance of bill drawn in fictitious name.

59. An acceptor of a bill of exchange drawn in a fictitious name is not, by reason that such name is fictitious, relieved from liability to any holder claiming under an indorsement by the same hand as the drawer's signature, and purporting to be made by the drawer.

Party receiving consideration liable to subsequent parties.

60. If at any time there has been valuable consideration between any parties to a negotiable instrument for the making, drawing, acceptance, indorsement, negotiation or transfer thereof, the party receiving such consideration is, except as provided in sections 38, 62, 63, 75, 82, 83, 85, 89, 90, 93, 104, 105, 106, 107, 108, 109, 110 and 111, and in the absence of any contract to the contrary, liable upon the instrument to all subsequent parties thereto, and every subsequent holder is a holder for consideration.

Illustrations.

(*a*) A indorses a bill of exchange to B, at the request of C, for C's account with B. B is a holder of the bill for consideration, and if he indorses it as a present to D, D is a holder for consideration.

(*b*) A, the holder of a negotiable instrument, indorses it in full to B, in the belief that B has done something which he has not done. B, for consideration, indorses the instrument in blank to C, and C indorses it to D. D is a holder of the instrument for consideration.

(*c*) A, the holder of a negotiable instrument indorses it in full to B, in the belief that B has done something which he has not done. B, for consideration proceeding from C, indorses the instrument in blank to C, and C indorses it to D, D strikes out C's indorsement. D is a holder of the instrument for consideration.

Party not liable to one from whom no consideration moved.

61. When there was no consideration for the making, drawing, acceptance or indorsement of a negotiable instrument, or when the consideration has wholly failed, the maker, drawer, acceptor or indorser is not liable thereon to the party in whose favour the instrument was so made, drawn, accepted or indorsed, or to any party claiming through such party, unless valuable consideration moved from the claimant or from some party through whom he derives title. But the maker, drawer, acceptor or indorser is liable to compensate any subsequent party who, being liable on such instrument, pays the amount due thereon.

Partial absence or failure of money consideration.

62. When the consideration for which a person signed a promissory note, bill of exchange or cheque consisted of money, and was originally absent in part or has subsequently failed in part, the sum which a holder standing in immediate relation with such signer is entitled to receive from him is proportionately reduced.

Explanation.—The drawer of a bill of exchange stands in immediate relation with the acceptor. The maker of a promissory note, bill of exchange or cheque, stands in immediate relation with the payee, and the indorser with his indorsee. Other signers may by agreement stand in immediate relation with a holder.

Illustration.

A draws a bill on B for Rs. 500 payable to the order of A. B accepts the bill, but subsequently dishonours it by non-payment. A sues B on the bill. B proves that it was accepted for value as to Rs. 400, and as an accommodation to the plaintiff as to the residue. A can only recover Rs. 400.

Partial failure of consideration not consisting of money.

63. Where a part of the consideration for which a person signed a promissory note, bill of exchange or cheque, though not consisting of money, is readily ascertainable in money, and there has been a failure of that part, the sum which a holder standing in immediate relation with such signer is entitled to receive from him, is proportionally reduced.

CHAPTER IV.

OF NEGOTIATION.

Negotiation by delivery.

64. Subject to the provisions of section 79, a promissory note, bill of exchange or cheque payable to bearer is negotiable by delivery thereof.

Exception.—A promissory note, bill of exchange or cheque delivered on condition that it is not to take effect except in a certain event is not negotiable (except in the hands of a holder for value without notice) unless such event happens.

Illustrations.

(*a.*) A, the holder of a negotiable instrument payable to bearer, delivers it to B's agent to keep for B. The instrument has been negotiated.

(*b.*) A, the holder of a negotiable instrument payable to bearer which is in the hands of A's banker, who is at the time the Banker of B, directs the banker to transfer the instrument to B's credit in the banker's account with B. The banker does so, and accordingly now possesses the instrument as B's agent. The instrument has been negotiated, and B has become the holder of it.

Negotiation by indorsement.

65. Subject to the provisions of section 79, a promissory note, bill of exchange or cheque payable to, or to the order of, a specified person is negotiable by the holder by indorsement and delivery thereof.

Transfer without indorsement.

66. If the holder of such an instrument as in the last preceding section mentioned, delivers it to another person without indorsing it, but with intent to transfer his title thereto, the transferee acquires by such delivery all the rights which the transferor had as holder except the right of negotiation, and he may sue upon the instrument in his own name.

Liability of transferor without indorsement.

67. If such transfer, as in the last preceding section mentioned, is made for valuable consideration to a person having no reason to believe in the existence of any matter affecting the validity of the instrument or of the transfer thereof, and the instrument is thereafter avoided as against any party on account of matters prior to such transfer, the transferor is bound to return to the transferee the consideration received, provided that such return is claimed within a reasonable time.

Conversion of indorsement in blank into indorsement in full.

68. The holder of a negotiable instrument indorsed in blank may, without signing his own name, by writing above the indorser's signature a direction to pay to any other person as indorsee, convert the indorsement in blank into an indorsement in full; and the holder does not thereby incur the responsibility of an indorser.

Effect of indorsement.

69. The indorsement of a negotiable instrument transfers to the indorsee the property therein with the right of further negotiation; but the indorsement may, by express words, be restrained to a transfer of the property without such right, or may merely constitute the

indorsee an agent to indorse the instrument, or to receive its contents for the indorser, or for some other specified person.

Negotiability may be restricted or excluded.

70. The indorser of a negotiable instrument may, by express words in the indorsement, restrict or exclude the right of the indorsee to negotiate the instrument, although the instrument was, at the time of such words being written, payable to the bearer thereof.

Illustrations.

B signs the following indorsements on different negotiable instruments :—

(*a*) " Pay the contents to C only."

(*b*) " Pay C for my use."

(*c*) " Pay C or order for the account of B."

(*d*) " The within must be credited to C."

These indorsements exclude the right of further negotiation by C.

(*e*) " Pay C."

(*f*) " Pay C value in account with the Oriental Bank."

(*g*) " Pay the contents to C, being part of the consideration in a certain deed of assignment executed by C to the indorser and others."

These indorsements do not exclude the right of further negotiation by C.

Who may negotiate.

71. Every sole maker, drawer, payee or indorsee, or all of several joint makers, drawers, payees or indorsees of a negotiable instrument may, if the negotiability of such instrument has not been restricted or excluded, as in the last preceding section mentioned, indorse and negotiate the same.

Explanation.—Nothing in this section enables a maker or drawer to indorse or negotiate an instrument, unless he is in lawful possession or is holder thereof; or enables a payee or indorsee to indorse or negotiate an instrument, unless he is holder thereof.

Illustration.

A bill is drawn payable to A or order. A indorses it to B, the indorsement not containing the words " or order," or any equivalent words. B may negotiate the instrument.

Indorser who excludes his own liability or makes it conditional.

72. The indorser of a negotiable instrument may, by express words in the indorsement, exclude his own liability thereon, or make such liability or the right of the indorsee to receive the amount due thereon, depend upon the happening of a specified event, although such event may never happen.

Where an indorser so excludes his liability and afterwards becomes the holder of the instrument, all intermediate indorsers are liable to him.

Illustrations.

(*a.*) The indorser of a negotiable instrument signs his name, adding the words—

" Without recourse to me."

Upon this indorsement he incurs no liability.

(*b.*) A, the payee and holder of a bill of exchange, indorses it to B, and B to C, C then indorses it back to A, each of these indorsements being in due course. A is reinstated in his former rights upon the instrument, but has not acquired any rights against B or C.

(*c.*) A is the payee and holder of a negotiable instrument. Excluding personal liability by an indorsement "without recourse," he transfers the instrument to B, and B indorses it to C, who indorses it to A. A is not only reinstated in his former rights, but has the rights of an indorsee against B and C.

Holder deriving title from holder in due course.

73. A holder of a negotiable instrument who derives title from a holder in due course has the rights thereon of that holder in due course.

Instrument indorsed in blank.

74. A negotiable instrument indorsed in blank is payable to the bearer thereof even although originally payable to order.

Conversion of indorsement in blank into indorsement in full.

75. If a negotiable instrument after having been indorsed in blank is indorsed in full, the amount of it cannot be claimed from the indorser in full, except by the person to whom it has been indorsed in full, or by one who derives title through such person.

Indorsement for part of sum due.

76. Where a negotiable instrument is indorsed for part of the sum due thereon to the indorser, the indorsement transfers only a right to retain the instrument, and to receive or sue for such part in the name of the indorser.

Collateral agreements.

77. No agreement between any parties to a negotiable instrument which is not expressed thereon, or which is collateral thereto, is binding upon any other holder thereof for valuable consideration; or upon any holder deriving title from a holder for valuable consideration.

Illustration.

A person who is a creditor of A signs, as acceptor, a bill of exchange in A's favour for 3,000 rupees. A being the holder indorses it for value to B, who is aware that the acceptor was a creditor of A. A's debt to the acceptor cannot be set off against B's claim on the bill.

Legal representative cannot by delivery only negotiate instrument indorsed by deceased.

78. The legal representative of a deceased person cannot negotiate by delivery a promissory note, bill of exchange or cheque payable to order and indorsed by the deceased but not delivered.

Instrument obtained by unlawful means or for illegal consideration.

79. When a negotiable instrument has been lost, or has been obtained from any maker, acceptor or holder thereof by unlawful means, or for an illegal consideration, no possessor or indorsee, who claims through the person who so obtained the instrument, is entitled to receive the amount

due thereon from such maker, acceptor or holder, or from any party prior to such holder, unless such possessor or indorsee is, or some person through whom he claims was, a holder thereof in due course.

Instrument acquired after dishonour or when overdue.

80. The holder of a negotiable instrument, who has acquired it after dishonour, whether by non-acceptance or non-payment, with notice thereof, or after maturity, has only the rights thereon of his transferer.

Accommodation note or bill.

Provided that any person who, in good faith and for valuable consideration, becomes the holder, after maturity, of a promissory note or bill of exchange made, drawn or accepted without consideration for the purpose of enabling some party thereto to raise money thereon, may recover the amount of the note or bill from any prior party.

Illustration.

The acceptor of a bill of exchange, when he accepted it, deposited with the drawer certain goods as a collateral security for the payment of the bill, with power to the drawer to sell the goods and apply the proceeds in discharge of the bill if it were not paid at maturity. The bill not having been paid at maturity, the drawer sold the goods and retained the proceeds, but indorsed the bill to A. A's title is subject to the same objection as the drawer's title.

Instrument negotiable till payment or satisfaction.

81. A negotiable instrument may be negotiated (except by the maker, drawee or acceptor after maturity) until payment or satisfaction thereof by the maker, drawee or acceptor at or after maturity, but not after such payment or satisfaction.

CHAPTER V.

OF PRESENTMENT.

Presentment for acceptance.

82. A bill of exchange payable at or after sight must, if no time or place is specified therein for presentment, be presented to the drawee thereof for acceptance, if he can, after reasonable search, be found by a person entitled to demand acceptance, within a reasonable time after it is drawn, and in business hours on a business day. In default of such presentment, no party thereto is liable thereon to the person making such default.

If the drawee cannot, after reasonable search, be found, the bill is dishonoured.

If the bill is directed to the drawee at a particular place, it must be presented at that place ; and if at the due date for presentment he has absconded, the bill is dishonoured.

Presentment of promissory note for sight.

83. A promissory note, payable at a certain period after sight, must be presented to the maker thereof for sight, by a person entitled to demand payment, within a reasonable time after it is made and in business hours on a business day. In default of such presentment no party thereto is liable thereon to the person making such default.

84. The drawee of a bill of exchange presented to him for acceptance may retain the same until the end of twenty-four hours, or until the next post to the holder, whichever first happens, to consider whether he will accept it.

Drawee's time for deliberation.

Explanation.—In calculating the twenty-four hours mentioned in this section, days which are not business days shall be excluded.

85. Promissory notes, bills of exchange and cheques must be presented for payment to the maker, acceptor or drawee thereof respectively, by or on behalf of the holder as hereinafter provided. In default of such presentment, the other parties thereto are not liable thereon to such holder.

Presentment for Payment.

Exception.—No presentment is necessary of a promissory note payable on demand in order to charge the maker thereof.

86. Presentment for payment must be made during the usual hours of business, and, if at a banker's, within banking hours.

Hours for presentment.

87. An inland promissory note or bill of exchange, made payable at a specified period after date or sight thereof, must be presented for payment within three days after the end of such period.

Presentment for payment of inland instrument payable after date or sight.

88. An inland promissory note payable by instalments must be presented for payment within three days after the date fixed for payment of each instalment; and non-payment on such presentment has the same effect as non-payment of a note at maturity.

Presentment for payment of inland promissory note payable by instalments.

89. A promissory note, bill of exchange or cheque made, drawn or accepted payable at a specified place and not elsewhere must, in order to charge any party, thereto, be presented for payment at that place.

Presentment for payment of instrument payable at specified place and not elsewhere.

90. A promissory note or bill of exchange made, drawn or accepted payable at a specified place must, in order to charge the maker or drawer thereof, be presented for payment at that place.

Instrument payable at specified place.

91. A promissory note or bill of exchange, not made payable as in the last two preceding sections mentioned, must be presented for payment at one of the places specified (if any), or at the place of business (if any), or at the usual residence, of the maker, drawee or acceptor thereof, as the case may be.

Presentment where no exclusive place specified.

92. If the maker, drawee or acceptor of a negotiable instrument has no known place of business or fixed residence, and no place is specified in the instrument for presentment for acceptance or payment, such presentment may be made to him in person wherever he can be found.

Presentment when maker, &c., has no known place of business or residence.

93. A cheque must, in order to charge the drawer, be presented at the bank upon which it is drawn within a reasonable time after it was first received from the drawer, or before the relation between the drawer and his banker has been altered to the prejudice of the drawer.

Presentment of cheque to charge drawer.

94. A cheque must, in order to charge any person except the drawer, be presented within a reasonable time after receipt thereof from such person.

Presentment of cheque to charge any other person.

95. A negotiable instrument payable on demand must be presented for payment within a reasonable time after it is received by the holder.

Presentment of instrument payable on demand.

96. Presentment for acceptance or payment may be made by or to the duly authorized agent of the drawee, maker or acceptor, as the case may be, or where he has died, to his legal representative, or where he has been declared an insolvent, to his assignee.

Presentment by or to agent, representative of deceased, or assignee of insolvent.

97. When the holder of a promissory note, bill of exchange or cheque, and the maker, acceptor or drawee reside in different places, the instrument may be forwarded by post for the purpose of being presented for payment. In such case, when there is a daily post, the instrument must be posted at some time not later than the last post on the day following that on which the holder has received such instrument; and the person receiving such instrument by the post must present it not later than the day following its receipt; where there is not a daily post, the instrument must be forwarded and presented within a reasonable time.

Posting instruments to be presented.

98. No presentment for payment is necessary, and the instrument is dishonoured at the due date for presentment in any of the following cases:—

When presentment unnecessary.

(*a*) if the maker, drawee or acceptor closes his place of business, or cannot after reasonable search be found, or intentionally prevents the presentment of the instrument, or access to him cannot be obtained during business hours;

(*b*) as against any party if, after maturity, with knowledge that the instrument has not been presented—

he makes a part payment on account of the amount due on the instrument,

or promises to pay the amount due thereon in whole or in part,

or otherwise waives his right to take advantage of any default in presentment for payment;

(*c*) as against the drawer, if the drawer could not suffer damage from the want of such presentment.

99. When a bill of exchange, accepted payable at a specified bank, has been duly presented there for payment and dishonoured, if the banker so negligently keeps, deals with or delivers back such bill as to cause loss to the holder, he must compensate the holder for such loss.

Liability of banker for negligently dealing with bill presented for acceptance.

CHAPTER VI.

OF PAYMENT AND INTEREST.

100. Subject to the provisions of section 104, clause (*c*), payment of the amount due on a promissory note, bill of exchange or cheque must, in order to discharge the maker or acceptor, be made to the holder of the instrument.

To whom payment should be made.

101. When interest at a specified rate is expressly made payable on a promissory note or bill of exchange, interest shall be calculated at the rate specified, on the amount and from the date of the instrument, until tender or realization of the amount due thereon.

Interest when rate specified.

102. When no rate of interest is specified in the instrument, interest on the amount thereof shall, except in cases provided for by the Code of Civil Procedure, section 532, be calculated at the rate of six per centum per annum, from the date at which the same ought to have been paid by the party charged, until tender or realization of the amount due thereon.

Interest when no rate specified.

Explanation.—When the party charged is the indorser of an instrument dishonoured by non-payment, he is liable to pay interest only from the time that he receives notice of the dishonour.

103. Any person liable to pay, and called upon by the holder thereof to pay, the amount due on a promissory note, bill of exchange or cheque is before payment entitled to have it shown, and is on payment entitled to have it delivered up, to him, or, if the instrument is lost or cannot be produced, to be indemnified against any further claim thereon against him.

Delivery of instrument on payment, or indemnity in case of loss.

CHAPTER VII.

OF DISCHARGE FROM LIABILITY ON NOTES, BILLS AND CHEQUES.

104. The maker, acceptor or indorser respectively of a negotiable instrument is discharged from liability thereon—

Discharge from liability;

(*a*) to a holder thereof cancelling such acceptor's or indorser's name with intent to discharge him, and to all parties claiming under such holder;

by cancellation;

(*b*) to a holder thereof otherwise discharging such maker, acceptor or indorser, and to all parties deriving title under such holder after notice of such discharge;

by release;

(c) to all parties thereto, if the instrument is payable to bearer, and such maker, acceptor or indorser pays in due course the amount due thereon.

by payment.

105. If the holder of a bill of exchange allows the drawee more than twenty-four hours to consider whether he will accept the same, all previous parties not consenting to such allowance are thereby discharged from liability to such holder.

Discharge by allowing drawee more than twenty-four hours to accept.

106. When a cheque has not been duly presented for payment, and the drawer thereof has thereby sustained loss or damage, he is discharged from liability to the holder making default in presentment.

When cheque not duly presented and drawer damaged thereby.

107. Where a cheque, payable to order, purports to be indorsed by or on behalf of the payee, the drawee is discharged by payment in due course.

Cheque payable to order.

108. If the holder of a bill of exchange acquiesces in a conditional acceptance, or one limited to part of the sum mentioned in the bill, or which substitutes a different place or time for payment, or which is not signed by all the drawees (not being partners), all previous parties whose consent is not obtained to such acceptance are discharged as against the holder and those claiming under him.

Parties not consenting discharged by conditional or limited acceptance.

109. Alterations made in a promissory note or bill of exchange by a person not a party to such note or bill have no effect upon the liability of a party who signed the instrument as maker or acceptor before such alterations were made.

Alterations by stranger in note or bill.

110. Save as provided in sections 20, 32, 68 and 108, any material alteration of a negotiable instrument renders the same void as against any party thereto at the time, and not consenting to such alteration, unless such alteration was made in order to carry out the common intention of the original parties.

Effect of material alteration.

Explanation.—The following are material alterations within the meaning of this section, namely: an alteration of date, amount, or of time or place of payment; the insertion in the body of the instrument of words authorising the transfer thereof, or stating the value thereof to have been received on a particular account; the addition of a name as that of a maker or drawer; obliteration of, addition to, or alteration of, the crossing of a cheque.

111. Save as last aforesaid, any such alteration as in the last preceding section mentioned, if made by an indorsee, discharges his indorser from all liability to him in respect of the instrument or the consideration thereof.

Alteration by indorsee.

112. An acceptor or indorser of a negotiable instrument is bound by his acceptance or indorsement notwithstanding any previous alteration of the instrument.

Acceptor or indorser bound notwithstanding previous alteration.

Payment of instrument on which alteration is not apparent.

113. Where a promissory note, bill of exchange or cheque has been materially altered, but does not appear to have been so altered, or where a cheque has been crossed but does not appear to have been crossed, payment thereof by a person or banker liable to pay and paying the same according to the apparent tenor thereof at the time of payment and otherwise in due course, shall discharge such person or banker so paying from all liability thereon, and such payment shall not be questioned by reason of the instrument having been altered or the cheque crossed.

CHAPTER VIII.

OF NOTICE OF DISHONOUR.

Dishonour by non-acceptance.

114. A bill of exchange is said to be dishonoured by non-acceptance when the drawee, or one of several drawees not being partners, makes default in acceptance upon being duly required to accept the bill.

Dishonour by non-payment.

115. A promissory note, bill of exchange or cheque is said to be dishonoured by non-payment when the maker of the note, acceptor of the bill, or drawee of the cheque makes default in payment upon being duly required to pay the same.

By and to whom notice should be given.

116. When a promissory note, bill of exchange or cheque is dishonoured by non-acceptance or non-payment, the holder thereof, or some party thereto who remains liable thereon, must give notice that the instrument has been so dishonoured to all other parties whom the holder seeks to make severally liable thereon, and to some one of several parties whom he seeks to make jointly liable thereon.

Nothing in this section renders it necessary to give notice to the maker of the dishonoured promissory note, or the drawee or acceptor of the dishonoured bill of exchange or cheque.

Mode in which notice may be given.

117. Notice of dishonour may be given by or to a duly authorised agent of the person by or to whom it is required to be given, or, where he has died, to his legal representative, or, where he has been declared an insolvent, to his assignee; may be oral or written; may, if written, be sent by post; and may be in any form; but it must inform the party to whom it is given, either in express terms or by reasonable intendment, that the instrument has been dishonoured, and in what way, and that he will be held liable thereon; and it must be given within a reasonable time after dishonour, at the place of business, or (in case such party has no place of business) at the residence, of the party for whom it is intended.

If the notice is sent by post and miscarries, such miscarriage does not render the notice invalid.

Party receiving must transmit notice of dishonour.

118. Any party receiving notice of dishonour must, in order to charge any prior party, transmit it to such party within a reasonable time, unless such party otherwise receives due notice as provided by section 116.

Agent for presentment.

119. When the instrument is deposited with an agent for presentment, the agent is entitled to the same time to give notice to his principal as if he were the holder giving notice of dishonour, and the principal is entitled to a further like period to give notice of dishonour.

When party to whom notice given is dead.

120. When the party to whom notice of dishonour is despatched is dead, but the party despatching the notice is ignorant of his death, the notice is sufficient.

When notice of dishonour is unnecessary.

121. No notice of dishonour is necessary.

(*a*) when it is dispensed with by the party entitled thereto;

(*b*) in order to charge the drawer, when he has countermanded payment;

(c) when the party charged could not suffer damage from want of notice;

(*d*) when the party entitled to notice cannot after due search be found; or the party bound to give notice is, for any other reason, unable without any fault of his own to give it;

(*e*) to charge the drawers, when the acceptor is also a drawer;

(*f*) in the case of a promissory note which is not negotiable;

(*g*) when the party entitled to notice, knowing the facts, promises unconditionally to pay the amount due on the instrument.

CHAPTER IX.

Of Noting and Protest.

Noting.

122. When a promissory note or bill of exchange has been dishonoured by non-acceptance or non-payment, the holder may cause such dishonour to be noted by a notary public upon the instrument or upon a paper attached thereto, or partly upon each.

Such note must be made within a reasonable time after dishonour, and must specify the date of dishonour, the reason, if any, assigned for such dishonour, or, if not expressly dishonoured, the reason why the holder treats the instrument as dishonoured, and the notary's charges.

Protest.

123. When a promissory note or bill of exchange has been dishonoured by non-acceptance or non-payment, the holder may, within a reasonable time, cause such fact to be noted and certified by a notary public. Such certificate is called a protest and shall, in the absence of proof to the contrary, in a suit upon the instrument, be deemed evidence of the fact of dishonour.

Protest for better security.

When the acceptor of a bill of exchange has become insolvent, or his credit has been publicly impeached, before the maturity of the bill, the holder may, within a reasonable time, cause a notary public to demand better security of the acceptor, and on its being refused

may, within a reasonable time, cause such facts to be noted and certified as aforesaid. Such certificate is called a protest for better security.

Contents of Protest.

124. A protest under section 123 must contain—

(*a*) either the instrument itself, or a literal transcript of the instrument and of everything written or printed thereupon;

(*b*) the name of the person for whom and against whom the instrument has been protested;

(*c*) a statement that payment or acceptance, or better security, as the case may be, has been demanded of such person by the notary public; the terms of his answer, if any, or a statement that he gave no answer, or that he could not be found;

(*d*) when the note or bill has been dishonoured, the place and time of dishonour, and when better security has been refused, the place and time of refusal;

(*e*) the subscription of the notary public making the protest;

(*f*) in the event of an acceptance for honor or of a payment for honour, the name of the person by whom, of the person for whom, and the manner in which, such acceptance or payment was offered and effected.

Notice of protest.

125. When a promissory note or bill of exchange is required by law to be protested, notice of such protest must be given instead of notice of dishonour, in the same manner and subject to the same conditions; but the notice may be given by the notary public who makes the protest.

Protest for non-payment after dishonour by non-acceptance.

126. All bills of exchange drawn payable at some other place than the place mentioned as the residence of the drawee, and which are dishonoured by non-acceptance, may, without further presentment to the drawee, be protested for non-payment, in the place specified for payment, unless paid before maturity.

CHAPTER X.

Of Reasonable Time.

Reasonable time.

127. In determining what is a reasonable time for presentment for acceptance or payment, for giving notice of dishonour and for noting, regard shall be had to the nature of the instrument and the usual course of dealing with respect to similar instruments; and in calculating such time, days which are not business days shall be excluded.

Reasonable time for presentment.

128. Presentment is made within a reasonable time, within the meaning of sections 82, 93, 94, and 95, if it is made on the business day next after that on which the holder received the bill, negotiable instrument or cheque referred to, or when there is no more delay than is occasioned by the residence of the parties to the bill, negotiable instrument or cheque in different places.

Illustration.

A draws on B, resident at Calcutta, a bill of exchange in favour

of C payable at sight, and sends it to C at Benares. C, the day after he receives it indorses it to D, and despatches it to D at Calcutta. D, the day after he receives the bill, presents it for payment. The delay which has taken place in presenting the bill is not unreasonable.

Reasonable time for giving notice of dishonour.

129. If the holder and the party to whom notice of dishonour is given carry on business or live (as the case may be) in different places, such notice is given within a reasonable time if it is despatched by the next post or on the day next after the day of dishonour.

If the said parties carry on business or live in the same place, such notice is given within a reasonable time if it is despatched in time to reach its destination on the day next after the day of dishonour.

Reasonable time for transmitting such notice.

130. A party receiving notice of dishonour transmits the notice within a reasonable time if he transmits it within the same time after its receipt as he would have had to give notice if he had been the holder.

CHAPTER XI.

Of Acceptance and Payment for Honour.

Acceptance for honour.

131. When a bill of exchange has been noted or protested for non-acceptance or for better security, any person may, with the consent of the holder, by writing on the bill, accept the same for the honour of any party thereto.

Acceptance not specifying for whose honour it is made.

132. Where the acceptance does not express for whose honour it is made, it shall be deemed to be made for the honour of the drawer.

Liability of acceptor for honour.

133. An acceptor for honour binds himself to all parties subsequent to the party for whose honour he accepts to pay the amount of the bill if the drawee do not; and such party and all prior parties are liable in their respective capacities to compensate the acceptor for honour for all loss or damage sustained by him in consequence of such acceptance.

But an acceptor for honour is not liable to the holder of the bill unless it is presented, or (in case the address given by such acceptor on the bill is a place other than the place where the bill is made payable) forwarded for presentment, not later than the day next after the day of its maturity.

When acceptor for honour may be charged.

134. An acceptor for honour cannot be charged unless the bill has at its maturity been presented to the drawee for payment, and has been dishonoured by him, and noted or protested for such dishonour.

Payment for honour.

135. When a bill of exchange has been noted or protested for non-payment, any person may pay the same for the honour of any party liable to pay the same, provided that the person so paying has previously

declared before a notary public the party for whose honour he pays, and that such declaration has been recorded by such notary public.

Right of payer for honour.

136. Any person so paying, as in the last preceding section provided, is entitled to all the rights, in respect of the bill, of the holder at the time of such payment, and may recover from the party for whose honour he pays all sums so paid, with interest thereon and with all expenses properly incurred in making such payment.

CHAPTER XII.

Of Compensation.

Rules as to compensation.

137. The compensation payable in case of dishonour of a promissory note, bill of exchange or cheque, by any party liable to the holder or any indorsee, shall (except in cases provided for by the Code of Civil Procedure, section 532) be determined by the following rules :—

(*a*) The holder is entitled to the amount due upon the instrument, together with the expenses properly incurred in presenting, noting and protesting it ;

(*b*) When the person charged resides at a place different from that at which the instrument was payable, the holder is entitled to receive such sum at the current rate of exchange between the two places ;

(*c*) An indorser who, being liable, has paid the amount due on the same is entitled to the amount so paid with interest at six per cent. per annum from the date of payment until tender or realization thereof, together with all expenses caused by the dishonour and payment ;

(*d*) When the person charged and the indorser reside at different places, the indorser is entitled to receive such sum at the current rate of exchange between the two places ;

(*e*) The party entitled to compensation may draw a bill upon the party liable to compensate him, payable at sight or on demand for the amount due to him together with all expenses properly incurred by him. Such bill must be accompanied by the instrument dishonoured and the protest thereof (if any). If such bill is dishonoured, the party dishonouring the same is liable to make compensation thereof in the same manner as in the case of the original bill.

CHAPTER XIII.

Of Foreign Bills.

Drawee in case of need.

138. Where a drawee in case of need is named in a foreign bill of exchange, the bill is not dishonoured until dishonoured by such drawee.

Protest of foreign bills.

139. Foreign bills of exchange must be protested for dishonour when such protest is required by the law of the place where they are drawn.

CHAPTER XIV.

OF INTERNATIONAL LAW.

Law governing liability of maker, acceptor or indorser of foreign instrument.

140. In the absence of a contract to the contrary, the liability of the maker of a foreign promissory note, bill of exchange or cheque is regulated in all essential matters by the law of the place where he made the instrument: the liability of the acceptor, by the law of the place where he accepted the instrument: the liability of the indorser, by the law of the place where he indorsed the instrument.

Illustration.

A bill of exchange was drawn by A in California, where the rate of interest is 25 per cent., and accepted by B, payable in Washington, where the rate of interest is 6 per cent. The bill is endorsed in British India, and is dishonoured. An action on the bill is brought against B in British India. He is liable to pay interest at the rate of 6 per cent. only; but if A is charged as drawer, A is liable to pay interest at the rate of 25 per cent.

Law of place of payment governs dishonour.

141. Where a promissory note, bill of exchange or cheque is made payable in a different place from that in which it is made or indorsed, the law of the place where it is made payable determines what constitutes dishonour and what notice of dishonour is sufficient.

Illustration.

A bill of exchange drawn and indorsed in British India, but accepted payable in France, is dishonoured. The indorsee causes it to be protested for such dishonour, and gives notice thereof in accordance with the law of France, though not in accordance with the rules herein contained in respect of bills which are not foreign. The notice is sufficient.

Instrument made, &c., out of British India, but in accordance with its law.

142. If a negotiable instrument is made, drawn, accepted, or indorsed out of British India, but in accordance with the law of British India, the circumstance that any agreement evidenced by such instrument is invalid according to the law of the country wherein it was entered into does not invalidate any subsequent acceptance or endorsement made thereon in British India.

Presumption as to foreign law.

143. *Until the contrary is proved, the law of any foreign country regarding promissory notes, bills of exchange and cheques shall be presumed to be the same as that of British India.*

SCHEDULE.

No. and year.	Title.	Extent of repeal.
VI of 1840	An Act for the amendment of the law concerning the negotiation of Bills of Exchange	The whole.
V of 1866	An Act to amend in certain respects the Commercial Law of British India.....	Sections 11, 12 & 13.
I of 1872.....	Indian Evidence Act.....	Section 117, so far as relates to bills of Exchange.
XV of 1874 ...	Laws local extent	So much of the first Schedule as relates to Act VI. of 1840 and to Act. V. of 1866, ss. 11, 12 & 13.

A. PHILLIPS,
Secretary to the Government of India.

LEGISLATIVE DEPARTMENT.

We, the undersigned members of the Select Committee to which the Bill to define and amend the law relating to Promissory Notes, Bills of Exchange and Cheques was referred, have considered the papers specified in the appendix, and have the honour to present this preliminary report.

2. This Bill, of which a draft, hereinafter called the draft Bill, was prepared by the late Indian Law Commission, is intended to be one of the chapters of the Indian Civil Code, and was introduced and referred to a Select Committee in December 1867. The then mercantile members of Council, while admitting the desirability of codification, objected to the draft Bill on account of its deviations from English law. In order to obviate this objection several alterations have now been made in its substantial provisions. The Bill has also been re-arranged ; and some additions have been made in order to supply omissions. These changes, which embody most of the suggestions contained in the papers mentioned in the appendix, will appear in detail from this report.

3. It may, however, be convenient, before proceeding further, to notice briefly the alterations which have been made in order to render the Bill conformable to English law.

4. The draft bill provided that an indorsee for value after maturity should have only the rights of his indorser. This does not except the case of a bill of exchange drawn or accepted for the purpose of enabling some party thereto to raise money thereon : we have added an exception in section 80 in order to meet this case.

5. The draft Bill discarded days of grace : we have recognized

this usage in sections 87 and 88 of the present Bill. The change has involved (in section 22) a slight alteration of the definition of "maturity."

6. The draft Bill also made all instruments which fell due upon a holiday payable on the next succeeding business day instead of, as in English law, on the next preceding business day, except in the case of a public holiday. We have in section 26 adhered to the English law, and have provided that, besides the usual public holidays, such days shall be public holidays within the meaning of the Act as the Local Government may declare.

7. The draft Bill made no provision for the case in which interest at a specified rate is expressly made payable on a note or bill. It merely provided that interest at the current rate should be payable on a bill dishonoured by non-acceptance, but only from the maturity of the instrument. The same rule was adopted in the case of dishonour by non-payment of a note, bill or cheque. We have substituted the English law on this subject by declaring (section 101) that, where interest is expressly provided for in the note or bill, it shall be calculated, as against all parties, at the specified rate from the date of the instrument until tender or realization of the amount due. Where no interest is specified we have declared (section 101), that, except in cases within section 532 of the Civil Procedure Code, interest shall run at six per cent. per annum from the date at which the amount ought to have been paid by the party charged. We have also added an explanation that an indorser can only be charged with such interest from the date of the receipt by him of notice of dishonour.

8. We have restored (section 117) the rule, which the draft Bill omitted, that a notice of dishonour must inform the party to whom it is given that he will be held liable.

9. The draft Bill provided that when a note, bill or cheque had been lost, or would not be produced by the owner, he might nevertheless enforce his claim against the maker or acceptor if he gave security, to the satisfaction of the Court, to indemnify the defendant against the claims of any other person upon the instrument. No provision was made for an action against the indorser. The English law, however, provides (17 & 18 Vict., c. 125, section 87=Act V. of 1866, section 14) that, in *any* action upon a negotiable instrument, the loss of it shall not be set up as a defence if an indemnity is given, to the satisfaction of the Court, against the claims of any other person. And the owner of such a document was always entitled in equity to demand payment on giving a sufficient indemnity. We have, therefore, considered that we should correctly embody the English law by providing (section 103) that any person liable to pay and paying the amount due on a note, bill or cheque shall be entitled to be indemnified; and by leaving (section 8) the liability of all parties the same as if the instrument had been forthcoming.

10. The draft Bill extended to instruments payable to order the principle upon which protection is afforded by English law to the party primarily liable upon an instrument payable to bearer. The acceptor, maker or indorser of a negotiable instrument payable to bearer, but not of an instrument payable to order, is, by English law, discharged by payment to any person in possession of the in-

strument, if the payer has no reason to believe the possessor is not the true holder. We have in section 104, clause (c), restricted the protection to such instruments.

11. The Bill as now altered consists of fourteen chapters. In the first chapter we have inserted the usual preliminary matter. We have (section 1) excluded hundis from the operation of the Bill. We have provided (section 2) for the repeal of some enactments which are replaced by the provisions of the Bill.

12. Section 3 contains a definition of the term "banker" drawn from 39 & 40 Vict., c. 80, s. 3, and of "Notary Public." Notaries are seldom found in the Mofussal, and the Bill provides that their functions may be exercised by persons appointed for that purpose by the Governor General in Council.

13. Chapter II. deals with notes, bills and cheques, bills in sets and crossed cheques. We have here substituted definitions which appear to be more comprehensive and accurate than those in the draft Bill. For instance, according to the original definitions, a bill of exchange differs from a cheque only in requiring that the money ordered by the instrument to be paid should be held at the disposal of the drawer—a distinction which appears to us inaccurate, as a bill of exchange is in law, equally with a cheque, assumed to be drawn against funds in the hands of the drawee. Again, the definition of a cheque would include such an instrument as a tradesman's bill on which the debtor writes an order to pay for presentation to a cash-keeper—the ordinary mode of paying bills in mercantile houses, at least in Calcutta, and one adopted by many private persons. According to the draft Bill such an instrument would apparently be negotiable—a very serious result indeed. Again the definition of a cheque does not require that it should be drawn upon a banker or a person acting as such, nor that it should be payable on demand. These are only a few of what seemed to us the more obvious omissions. We have, therefore, framed definitions which we think will include all the essentials of these instruments.

14. Section 8 defines the holder of a promissory note, bill of exchange or cheque as a person entitled in his own name to the possession of it, and to receive or recover the amount due thereon from the parties thereto. The holder of an instrument at the time of its loss or destruction also comes within the definition. The corresponding provision of the draft Bill seemed to us vague and unsatisfactory in its definition of "holder," and it was not consistently applied in the substantive provisions of the Bill.

15. In section 15 we have modified the definition of indorsement in the draft Bill by providing that it must be made for the purpose of negotiation. We have also included in the definition a like signature upon a stamped paper intended to be completed as a negotiable instrument.

16. We have added a section (17) providing, in accordance with English law, that, when an instrument may be construed either as a promissory note or bill of exchange, it shall be taken to be that which the holder elects.

17. In section 19 we have supplied an omission in the draft Bill by providing that an instrument in which no time for payment is specified and all cheques are payable on demand.

18. Section 20 provides for the filling up by the holder of blanks in a stamped paper intended to be completed as a negotiable instrument, but not completed when issued. The holder may complete the instrument for any amount covered by the stamp. To this section is added as an illustration section 9 of the draft Bill.

19. To the four presumptions as to negotiable instruments contained in the draft Bill and stated in section 27 of the present Bill, we have added presumptions that an accepted bill was accepted within a reasonable time after the date and before maturity; that every bill or note receipted on the back was paid by the acceptor or maker, that is, by the party primarily liable to pay; and that a lost instrument was duly stamped.

20. In addition to the provisions of the draft Bill as to bills in sets, we have (section 29) provided for the right of that holder of one of the parts who first acquires title to his part to possession of the other parts. We have also defined an acceptor in section 7 so as to include an acceptor of a set of bills.

21. In sections 30 to 37 (both inclusive) we have substituted the provisions of the recent English Act (39 & 40 Vict., c. 81) for the sections of the draft Bill relating to crossed cheques.

22. Chapter III. deals with the parties to negotiable instruments.

23. Section 38, after providing that all persons capable of contracting may be parties to notes, bills and cheques, adds that a minor may draw, indorse, deliver and negotiate such instruments so as to bind all parties except himself.

24. Section 39 provides for persons binding themselves through their authorized agents and adds that a general authority is not sufficient for this purpose, and that an authority to draw a bill does not of itself authorize an indorsement.

25. Sections 41 and 42 provide for the liability of partners on notes, bills and cheques; and section 43 applies the provisions of the Indian Contract Act, sections 42, 43 and 45 and chapter XI. to the rights and liabilities of partners created thereby, as well as to joint rights and liabilities.

26. Section 45 defines the liability of the drawee of a bill or cheque.

27. Section 46 extends to the case of the maker of a note, a definition contained in section 60 of the draft Bill of the liability of the acceptor of a bill of exchange.

28. Section 47 adds to the category of persons who (according to section 61 of the draft Bill) can accept a bill, all or some of several joint drawees.

29. Section 49 provides that every prior party to a negotiable instrument is liable thereon to a holder in due course, that is, to a *bonâ fide* holder for value.

30. Section 50 lays down that the maker of a note or cheque, the drawer of a bill until acceptance, and the acceptor are ordinarily the principal parties to the bill and the other parties their sureties; and section 51 adds that each prior party is a principal as regards the holder, and that the intermediate parties between such prior party and the holder are sureties for him. By section 52 the provisions of the Indian Contract Act, sections 132 to 147

(both inclusive) are rendered applicable to these relations of suretyship.

31. We have added a section (54) estopping the maker of a note, the drawer of a bill or cheque, and the acceptor of a bill for the honour of the drawer from denying the original validity of the instrument.

32. Section 55 adopts, with modifications, the provisions of section 117 of the Evidence Act, 1872, and of sections 36 and 62 of the draft Bill, which estop the acceptor from denying the drawer's signature. The estoppel is, we think, properly confined by this section to suits by holders other than the drawer.

33. Section 56 estops the maker of a note and the acceptor of a bill payable to order from denying the payee's capacity to indorse.

34. Section 57 adds to the estoppel against denying false signatures, contained in section 35 of the draft Bill, an estoppel against denying the capacity to contract of any prior party to a negotiable instrument in suit.

35. Section 58 also carries on the same subject by declaring the acceptor of a bill with a forged indorsement not to be thereby relieved from liability if he knew it to be forged at the time of acceptance; and section 59 declares that the acceptor of a bill drawn in a fictitious name is not thereby relieved from liability to pay upon an indorsement by the same hand as the drawer's signature, and purporting to be made by the drawer.

36. These sections supply some omissions in the draft Bill, and we think, adequately provide for the due currency of negotiable instruments when once put into circulation and for the protection of their holders.

37. The Bill then goes on to deal with the consideration for negotiable instruments and to protect the holder for value of instruments with respect to which there may have been originally no consideration, or a subsequent failure of consideration, wholly or in part.

38. These sections (60 to 63, both inclusive) are substantially taken from the draft Bill. We have added an illustration to section 62.

39. Chapter IV. deals with negotiation.

40. To section 64, which is substantially the same as section 18 of the draft Bill, we have added an explanation to the effect that an instrument delivered upon a condition which has not happened is not negotiable except by a holder for value and without notice of such condition.

41. Where the holder of a note or bill payable to or to the order of a specified person delivers it to another person without indorsing it, but with intent to transfer his title thereto, we think that (with reference to the Code of Civil Procedure, sections 36 and 37) the transferee should not be required to sue in the name of his transferor. We have framed section 66 accordingly.

42. In section 67 we have, in substantial accordance with section 40 of the draft Bill, dealt with the case of a *bona fide* holder for value of a bill transferred without indorsement. In such a case we have declared the holder entitled to a return of the consideration if the bill is, after the transfer, avoided on

account of any matter prior to the transfer, provided such return is claimed within a reasonable time.

43. Section 71 describes the parties who may indorse and negotiate negotiable instruments. The draft Bill does not appear to provide with sufficient clearness for this matter.

44. Section 76 embodies section 23 of the draft Bill: but it completes that section by enacting that an indorsement of a negotiable instrument for part of the amount due thereon transfers a right to retain the instrument and to receive and recover such part in the name of the indorser.

45. Section 77 provides that no agreement which is not expressed on the instrument or which is collateral thereto shall be binding upon holders for value or those deriving title from such holders. This section embodies and supplements the corresponding provisions of the draft Bill: of which section 42 provided that the title of an indorsee should not be affected by transactions independent of the instrument; and section 99 that a holder in due course should not be affected by any agreement between two signers as to the order of their liability unless such agreement appeared on the face of the instrument. The section as now drawn extends the draft sections to holders for value and to holders deriving title from holders for value; and also extends section 99 to all agreements not expressed on the instrument.

46. Chapter V. deals with presentment for acceptance and presentment for payment.

47. Section 82 states the essentials of presentments for acceptance in the case of bills payable at or after sight, to which the draft Bill, section 56, clause (1), refers as bills payable after demand. We have added a provision that presentment must be made by a person entitled to demand acceptance; and we have provided for the case in which the drawee cannot after reasonable search be found, and also for the case of a bill directed to the drawee at a particular place.

48. Section 83 provides for presentment for sight of a promissory note payable at a certain period after sight—a matter unnoticed by the draft Bill.

49. Section 84 alters section 56, clause (3) of the draft Bill by restricting the time allowed to the drawee for deliberation to the departure of the next post, if that should happen within the twenty-four hours otherwise allowed. This is the English rule upon the subject.

50. Sections 85 and 86 lay down the general rule for presentment for payment, which is not distinctly laid down in the draft Bill.

51. Section 87, as to presentment for payment of inland instruments payable after date or sight, embodies section 133 of the draft Bill; but we have excluded cheques from this section; as we have provided (section 19), in accordance with English law that such instruments are only payable on demand.

52. Section 88 provides for presentment for payment of an inland note payable by instalments—a matter omitted from the draft Bill.

53. Section 90 modifies sections 139 and 140 of the draft Bill by requiring, in accordance with English law, that an instrument

drawn or accepted payable at a specified place must, in order to charge the maker or drawer, be presented for payment at that place. The draft Bill allows presentment to be made in such cases at the place of business or residence of the maker or acceptor.

54. Section 91 embodies the general rule as to the place of presentment.

55. Section 92 extends the rule in section 141 of the draft Bill as to personal presentment to the case of presentment for acceptance.

56 Section 93 taken together with section 105 embodies section 101 of the draft Bill, with the modification that the presentment of a cheque must be made before the relation between the drawer and his banker has been altered to the prejudice of the drawer, or the drawer will be discharged from liability. The draft Bill discharges the drawer only to the extent of his actual loss; but, according to the English cases, he is discharged altogether by such delay, the payee of the cheque being considered as having, by such delay, treated the cheque as payment, and as thereby electing to look to the drawee alone (see *Hopkins* v. *Ware*, L. R. 4 Ex. 268.)

57. Section 96 is new. It provides that presentment for acceptance or payment may be made by or to a duly authorized agent, or the representative of a deceased party or the assignee of an insolvent party.

58. Section 98 states the cases in which presentment for payment is excused. It embodies sections 89 and 91 of the draft Bill; and adds the case in which the drawer could not suffer damage by want of presentment; in which case presentment is by English law not necessary as against him.

59. Chapter VI. treats of payment and interest. Section 100 declares that payment should be made to the holder, for payment to any other party does not of itself discharge the maker or acceptor. The next two sections, 101 and 102, provide for interest upon notes, bills and cheques, and section 103 for indemnity to the payer of an instrument lost or which cannot be produced.

60. Chapter VII. deals with discharge from liability on notes, bills and cheques.

61. Section 104 provides for the discharge of a maker, acceptor or indorser, not only when the holder cancels the acceptor's or indorser's name and when the maker, acceptor or indorser pays the amount due (sections 38, 85, 87 and 88 of the draft Bill), but also where the holder releases or otherwise discharges the maker, acceptor or indorser.

62. Section 107 adopts the provisions of 16 & 17 Vict., c. 59, section 19 by which the drawer of a cheque payable to order and purporting to be indorsed by or on behalf of the payee is discharged by payment in due course.

63. To section 110, which embodies sections 109 and 110 of the draft Bill, we have added an explanation showing what are material alterations in a negotiable instrument.

64. Section 111 is new, and provides that in special cases, such as that of a blank stamped instrument, an uncrossed cheque and an instrument endorsed in blank, a material alteration made by

an indorsee discharges his indorser from liability to him in respect of the consideration as well as of the instrument,

65. Section 113 embodies section 115 of the draft Bill and section 11 of 39 & 40 Vict., c. 81, relating to crossed cheques.

66. Chapter VIII. treats of notice of dishonour.

67. Section 116 substantially agrees with sections 125, 127 and 131 of the draft Bill; but we have altered the description of the parties to whom notice of dishonour by non-acceptance or non-payment must be given: the description now adopted is that those parties must include all whom the holder seeks to make severally liable on the instrument, and some one of any parties jointly liable; but notice to the maker, drawee or acceptor is unnecessary.

68. Section 117 collects into one section a number of provisions as to the form of notice and the mode of giving it. These provisions are scattered over sections 126, 127, 128 and 130 of the draft Bill. We have already pointed out that this section differs from the draft Bill in requiring notice to the party addressed that he will be held liable.

69. Section 119 adds to section 132 of the draft Bill the provision that a party receiving notice of dishonour through his agent for presentment is entitled to the same period after such receipt for the purpose of giving notice as the holder has for giving notice.

70. Section 121 describes the cases in which no notice of dishonour is necessary. These cases include, besides those of dispensation by the party entitled to notice and of inability to give the notice (which are provided for in sections 66, 67, 68, 92 and 93 of the draft Bill), the case of the drawer countermanding payment; the case where the party charged could not suffer from want of such notice; the case of an acceptor who is also a drawer; the case of a promissory note which is not negotiable, and the case in which the party knowing the facts unconditionally promises to pay the amount due on the instrument.

71. Chapter IX. contains the rules for noting and protest.

72. Section 122 substantially corresponds with section 119 of the draft Bill; but it allows the noting to be made either upon the instrument, or upon a paper attached thereto, or partly upon each. And the rules as to noting and protest are confined to bills and notes, whereas the draft Bill extended them to cheques—an extension for which there is apparently no authority.

73. We have inserted in sections 123 and 124 provisions regarding protest for better security.

74. In section 126 we have reproduced the provisions of Act VI, of 1840, section 4, and of 2 & 3 Wm. 4, c. 98, as to protest for non-payment after dishonour by non-acceptance.

75. Chapter X contains rules for calculating the reasonable time for presentment for acceptance or payment, for giving notice of dishonour and for noting. We have added in section 129 a provision that, in the case of notice of dishonour, when the parties carry on business or live in the same place, such notice is given within a reasonable time if it is despatched in time to reach its destination on the day next after the day of dishonour.

76. Chapter XI. deals with acceptance and payment for honour. We provide (section 131) for the case of protest for better security.

In accordance with a recent case (*In re Overend, Gurney and Company*, L. R. 6 Eq. 344), we have declared (section 136) that the payer for honour shall have all the rights, in respect of the bill, of the holder at the time of such payment.

77. Chapter XII. which treats of compensation, retains (section 137) the provisions of the draft Bill (section 65) substantially unaltered.

78. Chapter XIII. treats of foreign bills and restricts to foreign bills the section (73) of the draft Bill, which deals with the dishonour of a bill naming a drawee in case of need.

79. The provisions of chapter XIV. as to international law are substantially those of the draft Bill.

80. In conclusion, we desire to express our obligations to the following honourable and learned Judges, namely, Messrs. Turner, Kennedy, West and Nanabhai Haridas: to the Madras Chamber of Commerce: to Mr. Stewart Gladstone, Mr. R. Stewart, Mr. Dickson, (late Secretary and Treasurer to the Bank of Bengal), and Mr. Scrymgeour, the Calcutta Agent of the Oriental Bank Corporation. We recommend that the Bill as now altered be republished in the *Gazette of India* and the local Gazettes, that the opinions of the Local Governments, the High Courts and the mercantile community be invited thereon, and that its further consideration be stayed till the Council re-assembles in Calcutta.

WHITLEY STOKES.
E. C. BAYLEY.
F. R. COCKERELL.

Simla, 4th October, 1877.

CHAMBER OF COMMERCE, BOMBAY, *24th December* 1877.

To the SECRETARY to GOVERNMENT, Judicial Department.

SIR,—I am directed to acknowledge the receipt of your letter No. 6764, dated the 5th of November last, forwarding copy of a letter from the Secretary to the Government of India, Legislative Department, No. 824, dated the 18th October, together with a copy of "The Negotiable Instruments Bill, 1877," and of the preliminary report of the Select Committee thereon, and requesting that Government may be favoured with the opinion of the Chamber of Commerce on the provisions of the Bill.

The Chamber, having referred the Bill to the consideration of a Special Committee—consisting of The Honourable Walter Lang, of the firm of Messrs. Finlay, Scott & Co., Chairman of the Chamber, Mackintosh Balfour, Esq., Secretary and Treasurer of the Bank of Bombay, W. A. Baker Esq., Manager of the National Bank of India, H. W. Jones, Esq., Agent of the Chartered Mercantile Bank of India,

London, and China, and M. Mowat, Esq., of the firm of Messrs. Ritchie, Steuart & Co., Deputy Chairman of the Chamber,—has now the honour to report upon those sections of the Bill, which, in the opinion of the Chamber, should be altered or amended.

Section 10.—The words in this Section, after the word "thereof" in the fifth line, might receive a construction which would throw too much responsibility on the acceptor, to prevent which it appears to the Chamber to be desirable that illustrations should be given. Byles, in para. 3 of chapter XV. of the eleventh edition of his work, (the Chamber regrets that it was unable to procure the twelfth edition, which is the one referred to on the margin of the Bill) has given an example of a banker being unable to charge his customer with a cheque which he had paid, the circumstances being such as to show that the instrument was cancelled, and carried with it reasonable notice that it had been cancelled: "though," he says, "a cheque be "really drawn by a banker's customer, but torn in pieces "before circulation by the drawer, with intention of de- "stroying it, and a stranger picking up the pieces, pastes "them together, and presents the cheque soiled and so joined "together to the banker, and he pays it, the banker cannot "charge his customer with this payment." Probably the framers of the proposed Bill had this example before them when they drew up this section. If so, the Chamber would suggest that it, and two or three other illustrations, should be appended to the section, as it is important that it should be understood what is the class of circumstances (besides examples of payment out of the usual course of business given by Byles in the preceding paragraph) which constitute reasonable ground for believing that the person in possession of an instrument is not entitled to receive payment. The Chamber would here call attention to the addition suggested by it in section No. 107

Section 16 is ambiguous. If a cheque were indorsed to several persons, partly to one and partly to another, it would in each case deprive Government of the stamp duty. With respect to a bill or promissory note, the only case of an indorsement for a part of the amount which the Chamber knows of is when the bill has been partly paid either by the acceptor or by the drawer, and is indorsed for the part remaining due. The section, however, states that when a direction is added to the indorsement "to pay the whole

"or any part of the amount mentioned in the instrument "to, or to the order of a specified person, the indorsement "is said to be *in full.*" The Chamber suggests that an illustration should be appended to this section, for it has never heard of a banker paying a part of a cheque, nor is it apparent how an indorsement in part can, under such circumstances, be an indorsement in full.

Section 22.—The Chamber suggests that the words "or cheque" be omitted, as unnecessary.

Section 23.—To remove the doubts which existed whether by the custom of merchants a bill of exchange or promissory note purporting to be payable at sight or on presentation was payable until the expiration of days of grace, "The Bills of Exchange Act, 1871," 34 and 35 Vict., chap. 74 was passed, by which it was enacted that a bill of exchange or promissory note payable at sight or on presentation, should bear the same stamp, and should, for all purposes whatsoever, be deemed to be a bill of exchange or promissory note payable on demand, in which no days of grace are allowed. By common acceptation in India, the drawee of a bill of exchange or the maker of a promissory note "at sight" is entitled to three days of grace, and the instrument so payable must bear an ad valorem stamp. The Legislature also appears to have taken this view of the question. In Schedules I. and II. of the General Stamp Act, 1869, while a bill of exchange, promissory note, cheque, or order, "payable on demand, is chargeable with a fixed stamp duty of one anna, a bill of exchange or promissory note, "payable otherwise than on demand," is chargeable with ad valorem duty, and, in Schedule I. of the Stamp Bill No. 16 of 1877, now before the Council of the Governor General, it is distinctly stated that a bill of exchange or promissory note "payable at sight" shall be chargeable with ad valorem duty, while in Schedule II. the same instruments "payable on demand" are chargeable with a fixed stamp duty of one anna. The Chamber is of opinion that it would be an advantage if the meaning of the expressions "on demand" and "at sight" were, as in England, made identical by law, and if the same fixed stamp duty were chargeable in either case.

Sections 24 *and* 25.—These sections appear to have been framed under a misapprehension of the meaning which custom has given to the phrase "a bill or promissory note at maturity." This phrase is correctly used in section 26,

and is always understood to express the day on which a bill or promissory note falls due, that is to say, the day on which the specified period of the instrument including the days of grace expires. These sections were doubtless intended merely to show how the specified period of a bill or promissory note is computed, but this can serve no practical purpose, and the erroneous definition of the date when the instrument is at maturity should be corrected. Days of grace cannot, by law or custom, be separated from the specified period of a bill or promissory note payable after date or sight: they are allowed in all such cases, and are reckoned exclusive of the day on which the specified period of the bill expires, and inclusive of the last day of grace. Sections 87 and 88 provide for days of grace, and for presentment for payment at maturity. The Chamber thinks that a provision for days of grace should be transferred to this section which shows the mode of calculating the day on which a bill falls due; but the words "within three days" used in those sections should be altered in this section to "on the last day of grace," and a corresponding alteration made in sections 87 and 88, which will then only provide for presentment for payment when the bill falls due.

The Chamber therefore recommends that sections 24 and 25 be cancelled, and that one section with illustrations be substituted providing for days of grace, and setting forth how the date on which the instrument falls due is calculated. Such a section might run as follows:—

24. Three days of grace shall be allowed in promissory notes or bills of exchange payable at a specified period after date or sight thereof, and such promissory notes or bills of exchange shall be held to fall due, except as provided for in section 26, on the third day after the expiration of such specified period.

In calculating the date at which a promissory note or bill of exchange, made payable a stated number of months after date, or after sight, or after a certain event, falls due, the due-date shall be held to be the third or last day of grace after the day of the month which corresponds with the day on which the instrument is dated, or accepted, or the event happens. If the month in which the stated period would terminate has no corresponding day, the period shall be

held to terminate on the last day of such month, and the instrument to fall due on the third or last day of grace reckoned from and exclusive of the last day of such month.

A promissory note or bill of exchange made payable a certain number of days after date, or after sight, or after a certain event, falls due on the third or last day of grace after the expiration of the number of days specified in the promissory note or bill of exchange, which are reckoned exclusive of the date on which it is dated or accepted.

Illustrations.

(a) A negotiable instrument dated 1st February is made payable at one month after date. The instrument falls due on the 4th March.

(b) A negotiable instrument dated 29th January 1877 is made payable at one month after date. The instrument falls due on the 3rd of March 1877.

(c) A negotiable instrument dated 30th August 1877 is made payable three months after date. The instrument falls due on the 3rd of December 1877.

(d) A promissory note or bill of exchange, dated 31st August 1877, is made payable three months after date. The instrument falls due on the 3rd of December 1877.

(e) A promissory note or bill of exchange, dated 31st January 1877, is made payable 30 days after date. The instrument falls due on the 5th of March 1877.

(f) A bill of exchange accepted 3rd March 1877, is made payable 30 days after sight. The instrument falls due on the 5th of April 1877.

Section 26.—The Chamber recommends that the words "or cheque" in the second line of this section be omitted.

It is also of opinion that an explanation is necessary of the expression "not a business day," which occurs in the third and fourth lines of this section. Sundays are generally held not to be business days, and, when a promissory note or bill of exchange matures on a Sunday, it is deemed to fall due on the preceding day, but in the explanation appended to this section, "public holidays" (instruments maturing in which are, by the new Bill, deemed to fall due on the next succeeding business day) include Sundays.

With reference to public holidays, the Banks in Bombay,

acting in concert, have hitherto been in the habit of fixing such days as holidays which would least interfere with public business. The Chamber presumes that, when the Act is passed, the Local Government will be requested to notify in the Official Gazette what days are to be public holidays within the meaning of the Act.

Section 29 requires definition. The case referred to by the English authority (Byles) on the margin of the Bill, viz., Perreira *vs.* Jopp, vol. 10 of Barnwell and Cresswell's Reports, page 450, was considered by the Attorney-General to have established that the party who first obtained the acceptance of any one part of a set of bills was entitled to the whole of them. If the holder of one of the parts who first acquired title to his part is intended to have any other meaning than that of the party who first obtained acceptance it might be productive of great inconvenience and embarrassment. It would be particularly so, if the holder who first acquired title to his part were to mean the holder who first obtained indorsement in his favour. For instance, A, the holder of a Bill of exchange in three parts, indorses, and circulates for value, the first part to B, the second part to C, and the third part to D. C. presents his part and obtains acceptance before B. and before D, although the second part was endorsed to C, at a later date than the endorsement of the first part to B : C is and should be entitled to the other parts of the bill. Probably, it was intended that the holder of one of the parts, who first acquired title to his part, should mean the holder who first obtained acceptance, but, if so, the wording of the section should be altered so as to express more clearly the intention of the Legislature. If, however, it is intended that the holder who first acquired title to his part should have any other meaning than the holder who first obtained acceptance, the Chamber would suggest, as the point is of great importance, that illustrations be appended to the section.

Section 36.—In Bombay, certain mercantile and agency firms are also styled bankers and act as such. The Chamber recommends that the word "banker" in the interpretation clause of the Act should be more clearly defined so as to show whether or not it is intended, under section 36, to include as bankers those merchants who do banking as well as mercantile business, and also those firms who act as bankers but whose business is principally that of Army or Forwarding Agents.

Section 76.—Except where a bill has been partly paid and the bill indorsed for the part remaining due, an indorsement for part of the sum due on the instrument to the indorser has never come within the experience of the Chamber. Indeed, the English authority referred to on the margin of the section expressly declares that such an endorsement is illegal. Byles, (eleventh edition, published 1874, pages 171-2) says "a bill or note cannot be endorsed "for part of the sum remaining due to the indorser upon "it, *if the limitation of the sum for which it is indorsed "appear on the indorsement itself.* Such an indorsement "is not warranted by the custom of merchants, and would "be attended with this inconvenience to the prior parties "that it would subject them to a plurality of actions." The Chamber sees no useful object that can be gained by retaining this section, and recommends that it be omitted from the Bill.

Section 84.—The Chamber recommends that the following sentence be added to the first paragraph of this section after the word "it"—"If after twenty-four hours' consi-"deration, the drawee decides to accept the Bill, it shall be "accepted as on the date on which it was presented to him "for acceptance."

The practice in India should differ from that of England because in India long holidays are customary.

The practice here has been to present, accept, and return, bills of exchange within business hours of the same day, and the Chamber sees no reason why this practise should be departed from.

Section 87.—The Chamber requests attention to its recommendations under sections 24 and 25. The concluding words, however, of this section, viz. "within three days after the end of such period" should be struck out, and the words, "on the day on which it falls due" substituted. It has been held in England that a presentment for payment before the day on which the days of grace expire is premature, and does not enable the holders to charge the antecedent parties.

Section 88.—The same remarks are applicable to this section. The Chamber, however, recommends that the words "within three days after the date fixed for payment of each instalment" should be altered to "on the day on which each instalment falls due including days of grace."

Section 102.—The Chamber recommends that the word

"six" in the sixth line of this section be altered to "nine." The value of money in this country generally rules higher than it does in England, and in mercantile transactions and accounts, interest at 9 per cent. per annum is charged as the ordinarily understood rate when no rate is stipulated. The rate of 9 per cent., moreover, is usually adjudged by the High Court of Bombay until judgment, though, for some reason which is not apparent but supposed to be the improved security which the judgment gives to the creditor, the rate is generally reduced to six per cent. after judgment.

The Chamber recommends that the concluding words of the "Explanation" appended to this section, viz., "time that he receives notice of the dishonour" should be cancelled, and the words "date of the dishonour" substituted. It appears to have been held in England that the indorser of a bill of exchange or promissory note is liable to pay interest only from the time when he receives notice of the dishonour. But this ruling should not be made applicable to India, where the extent and situation of the country, and the changing habits of the mercantile and non-resident classes, which are largely composed of people of other countries and states, would in many cases render its operation inequitable. An indorser, for instance, who may have gone to England, or to a distant station, which in the ordinary course of post, the notice of dishonour could not reach for many days, and who may not have appointed any authorized agent to receive notice of dishonour in case of default of the drawee or acceptor should be liable to pay interest from the date of dishonour. So far as the Chamber is aware, it has always been the custom in Bombay to charge interest in such cases from the date of dishonour.

Section 107.—The Chamber suggests that the words "bill of exchange or promissory note" should be inserted after the word cheque. In suggesting this addition, they would at the same time request attention to their remarks upon section 10, which is less explicit.

Section 113.—The expression "where a cheque has been crossed but does not appear to have been crossed" requires elucidation. Section 11 of the English Act, 39 and 40 Vict., chap. 81, explains it as a crossing which has been obliterated, the words there used being "where a cheque is presented for payment which does not at the time of presentation appear to be crossed, or to have had a crossing

which has been obliterated," &c. The Chamber presumes that the expression is intended to have the same meaning as the English Act, and, if so, they would recommend, for the sake of perspicuity, that the words "or to have had a crossing which has been obliterated" be inserted after the word "crossed" in the seventh line of this section. If, however, the expression is intended to have any other meaning, the Chamber recommends that an illustration of it be appended to the section.

Section 126.—The Chamber recommends that the words "or at" be inserted between the two last words of this section.

Section 137.—The rules (c) and (d) in this section provide only for the recovery of the amount of the instrument at the current rate of exchange, but not for the usual charges of commission, postages, &c. The Chamber suggests that to each of these rules the following words be added "including commission, postages, and any reasonable charges."

If the recommendation of the Chamber under section 102 is adopted, it will be necessary to make rule (c) of section 137 correspond therewith by altering the word "six" in the third line of the rule to "nine."

With these exceptions, the Chamber approves of the provisions of the Bill.—I have, &c.

J. GORDON, Secretary.
W. LANG, Chairman.

No. 4500 OF 1878.

JUDICIAL DEPARTMENT,
BOMBAY CASTLE, *2nd August* 1878.

To the SECRETARY to the BOMBAY CHAMBER of COMMERCE.

SIR,—I am directed to forward herewith copy of "the Negotiable Instruments Bill No. III." and of the second Report of the Select Committee thereon, and to request that Government may be favoured with the opinion of the Chamber of Commerce on the provisions of the Bill in its third stage.

I am to ask that a reply to this letter may be forwarded at as early a date as may be convenient.—I have, &c.

J. MONTEATH,
Acting Under-Secretary to Govt.

LEGISLATIVE DEPARTMENT.

We, the undersigned Members of the Select Committee to which the Bill to define and amend the law relating to Promissory Notes, Bills of Exchange and Cheques, was referred, have considered the Bill and the papers, and have the honour to present this second report.

2. Section 1 declares that "nothing in this Act applies to hundis." But when the analogy between bills and hundis is complete, and there is no proof of any special usage, it has been ruled by Colvile, C. J., in *Amritram* v. *Damoodur Doss*, (cited 2 Hyde 261) that the English law applies. We think that we should give effect to this ruling, and have therefore changed the words above quoted to "nothing herein contained shall affect any usage relating to any instrument in an oriental language." This change will not only save the customs of Native merchants as to hundis, but also their customs (if any such exist) as to promissory notes and cheques.

3. We have in section 4 added several illustrations of what a promissory note is not. They are founded on decided cases.

4. Section 13 provides, in accordance with the Indian Law Commissioners' draft, that a note, bill or cheque payable to a specified person or order, or "to or order" is negotiable. It appears to us that, in the absence of a payee, *i. e.*, till the blank is filled up, there can be no right of action on the instrument: such right cannot therefore be assignable: the instrument, in other words, is not 'negotiable.' We have therefore omitted the phrase "to or order."

5. To section 20 (as to filling up blanks in a stamped instrument) we have added a proviso that as between the person delivering and the person receiving the instrument, nothing in excess of the amount intended by them to be paid shall be recovered.

6. We have provided (section 22), in accordance with 34 and 35 Vic., c. 74, s. 2, that the expression 'on presentment' as well as 'at sight' shall mean on demand.

7. We have stated distinctly (section 23) the law as to days of grace as follows:—"Every promissory note or bill of exchange not expressed to be payable on demand, at sight or on presentment, is at maturity on the third day after the day on which it is expressed to be payable."

8. In section 24, we have provided for the case of a bill "after sight" accepted for honour.

9. We have altered section 26 so as to express the present practice, according to which, when a bill or note matures on a public holiday, it is deemed to be due on the next preceding business day.

10. In section 27 we have added the presumption that every negotiable instrument bearing a date was made or drawn on such date. The Evidence Act, section 114, does not quite suffice. We have struck out the clause providing that a receipt on the back of notes and bills is *prima facie* evidence of payment by the maker or acceptor. This presumption, though important in England, is so weak in India as not to be worth interesting. We have also provided that when the instrument has been stolen or originally

infected by fraud, invalidity or illegality, the burthen of proving that the holder is a holder in due course lies upon him.

11. We have redrawn section 29 (now 126) thus: "As between holders in due course of different parts of the same set, he who first acquired title to his part is entitled to the other parts."

12. We have declared that section 38 (now 28) shall be deemed to empower a corporation to make, accept or indorse notes, bills or cheques, except in cases in which under the law for the time being in force they are so empowered.

13. We have declared (section 31) the law as to the liability of a legal representative signing his name to a note, bill or cheque.

14. We have made section 40 (now 30, as to the liability of an agent signing) agree with the Contract Act, by wording the exception thus: "except to those who induced him to sign upon the belief that the principal only would be held liable.

15. The exception to section 42 (now 33) declares, in accordance with *Mason* v. *Rumsey* (1 Camp. 384), that "a partner may bind his firm by accepting in his own name for partnership purposes a bill drawn upon the firm." It would in this country be likely to mislead. We have therefore struck it out.

16. We have omitted section 42, as the Indian Contract Act, 1872, will of its own force extend to all contracts evidenced by bills, notes and cheques.

17. We have confined section 45 (now 35) to cheques. As a rule, bankers decline to accept bills except in cases where they have specially agreed to do so. They cannot be expected to write off amounts from an ordinary account current to provide for acceptances.

18. Section 52 of Bill No. II. applies sections 134 and 135 of the Contract Act to the relations of suretyship between parties to negotiable instruments. The result would be to extinguish the power which the holder of an accepted bill has at present to release the acceptor reserving his right to charge the other parties. We have therefore substituted a section (42) which will save this power.

19 We have expressly confined the estoppels mentioned in sections 54 and 56 (now 44 and 45) to suits by holders in due course. We have struck out the clause (55) relating to the estoppel of the acceptor from denying the drawers' signature. The Evidence Act, section 117 should, we think, in this respect remain untouched.

20. In the case of a transfer without indorsement, section 66 of Bill No. II. empowers the transferee to sue upon the instruments in his own name. We have struck out this power, which is not in accordance with the present law. We have abstained from expressly empowering such a transferee to sue in the name of the transferor, as this would have involved further provisions as to indemnifying the latter, which could not fitly find their place in the present Bill.

21. Section 76 of Bill No. II. declares, in accordance with American decisions, that the effect of an indorsement for part of the sum remaining due to the indorser is to give the indorsee a lien on the bill, but not to transfer a right to sue, except in the indorser's name. There can, however, be no doubt that such indorsements

are not warranted by the custom of merchants, and we have substituted the clause originally framed by the Law Commissioners, namely, "65. No writing on a negotiable instrument is valid for the purpose of negotiation, if such writing purports to transfer only a part of the amount of the instrument."

22. Section 82 (now 71) provides for presentment for acceptance of bills payable at sight as well as of bills payable after sight. As "at sight" will be equivalent to "on demand," we have confined this section to the latter class of bills.

23. As foreign bills are equally with inland bills entitled to the privilege of days of grace, we have, in sections 87 and 88 (now 76 and 77) struck out the word 'inland.'

24. We have omitted section 97, as to posting instruments to be presented. It seems to us a useless provision.

25. Where interest is expressly made payable at a specified rate, we have provided in section 101 (now 89) for payment of interest in case of a suit to recover the principal sum due.

26. We have omitted section 109 as conflicting with section 110 (now 97.)

27. When the drawee is incompetent to contract, we have declared (section 101) that the bill may be treated as dishonoured.

28. Section 140 (now 137) provided, in exact accordance with the Law Commissioners' draft, that the liability of the acceptor of a foreign bill should be regulated by the law of the place where he accepted the instrument and the liability of the indorser by the law of the place where he indorsed the instrument. We think that this neither agrees with the rules of international law nor the decisions of the English Courts (see, for instance, *Rouquette* v. *Overmann*, L. R. 10 Q. B. 525. The acceptor's liability is regulated by the law of the place of payment, and as the indorser is a surety for the acceptor, his liability is measured by that of his principal, is, in other words, regulated by the *lex loci* of performance. We have altered section 140 in accordance with these views.

29. Section 140 is a fragment of the law of evidence, just as section 87 (as to a banker's liability for negligence) is a fragment of the law of torts. But we think that these sections may conveniently stand where they are until the Evidence Act is revised and the law of torts codified.

30. We think that the provisions as to bills in sets should be confined to foreign bills, and we have consequently transferred them to chapter XIII. We have made the sections as to crossed cheques a separate chapter and placed it near the end of the Bill.

31. We have made some verbal amendments.

32. Lastly, we have added to the schedule of repeals the two old statutes, 9 William III, c. 17, as to inland bills, and 3 and 4 Ann., c. 8, as to promissory notes.

33. We desire to acknowledge the valuable criticisms received from the Chambers of Commerce at Calcutta, Madras, Bombay and Rangoon, from Mr. William Macpherson, Secretary to the late Indian Law Commission, from Pandit Lakshmi Narayana of Lucknow, and from Mr. Rattigan, the Government Advocate, Panjab; and Mr. Stokes is much indebted to Sir R. Garth for some notes unofficially communicated.

34. We are well aware that the Bill does not deal exhaustively

with the subject; but we believe that the Bill, the Contract Act (to which it is a supplement) and the Evidence Act will, taken together, supply rules sufficient for the disposal of the questions that ordinarily arise as to the rights of parties to negotiable instruments.

35. We, therefore, recommend that the Bill be passed as amended; but we are of opinion that it has been so altered as to render republication desirable. We propose that it shall not be further proceeded with until the Council re-assembles at Calcutta.

WHITLEY STOKES.
F. R. COCKERELL.
E. MORGAN.
G. H. P. EVANS.
G. C. PAUL.

27th May, 1878.

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

Abstract of the Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Act of Parliament 24 and 25 vic., Cap. 67.

The Council met at Government House on Thursday, the 20th June, 1878.

Present:

His Excellency the Viceroy and Governor General of India, G.M.S.I., *presiding*.
His Honour the Lieutenant-Governor of the Punjab, C.S.I.
His Excellency the Commander-in-Chief, G.C.B.
The Hon'ble Sir A. J. Arbuthnot, K.C.S.I.
Colonel the Hon'ble Sir Andrew Clarke, R.E., K.C.M.G., C.B.
The Hon'ble Sir J. Strachey, G.C.S I.
The Hon'ble Whitley Stokes, C.S.I.
The Hon'ble A. R. Thompson, C.S.I.
The Hon'ble T. H. Thornton, D.C.L., C.S.I.
The Hon'ble F. R. Cockerell.

NEGOTIABLE INSTRUMENTS BILL.

The Hon'ble Mr. Stokes presented the second Report of the Select Committee on the Bill to define and amend the law relating to Promissory Notes, Bills of Exchange and Cheques. He said:—

"Although there is no motion before the Council, I propose, with your Excellency's permission, to make a few remarks on the third stage of the slow, but I think I may say healthy, development of this measure. Drawn originally by the late Indian Law Commission and introduced, as I may remind the Council, in December 1867, the then mercantile members, Mr. Steuart Gladstone and Mr. Skinner, while approving of the proposal to codify the law of negotiable paper, strongly objected to the Bill on account of its numerous deviations from the English, which is practically the

Anglo-Indian law on the subject. More urgent matters took up the time of Sir Henry Maine and Sir Fitzjames Stephen, and the Bill slumbered in its official pigeon-hole until the advent of Sir Arthur Hobhouse, who went through the Bill with the acuteness, industry and learning which he brought to bear on every subject with which he had to deal. He discovered a number of changes and omissions which had escaped Mr. Steuart Gladstone and Mr. Skinner, and satisfied himself that the Bill, if it were to go on at all, must be completely re-drawn. This laborious task was reserved for an excellent mercantile lawyer, my friend Mr. Phillips, our late Secretary in the Legislative Department, and now, as we all know, a leading member of the Calcutta Bar. Of the skill and patience with which Mr. Phillips did his work, I, who discussed every clause—I may say every word—with him, could speak with confidence and gratitude: but I prefer to read to the Council some of the opinions of men who cannot be supposed to be biassed by friendship. Thus the Bombay Chamber of Commerce, after making some criticisms to which the Select Committee have duly attended, say: 'With these exceptions, the Chamber approve of the provisions of the Bill.' The Madras Chamber say that 'the Bill, while containing some elementary information which might, it is submitted, be omitted without detriment, explains with precision many nice points of mercantile law and usage which, in the absence of legislative authority, are likely to excite controversy.' The Calcutta Trades Association say 'they have given it their careful consideration, and are of opinion that, so far as the particular interests they represent are concerned, no objection can be taken to any of the provisions of the Bill.' The Managers of the Allahabad Bank, the Agra Savings Bank and the Upper India Bank, and the Agent of the Bank of Bengal at Allahabad, have either fully approved of the Bill, or made suggestions so unimportant, that the Local Government has considered it unnecessary to forward them. So much for the mercantile experts. The lawyers follow suit. Thus the present Advocate General of Madras, Mr. O'Sullivan, states that, in his opinion, the Bill deals in the most satisfactory way with the difficult subject of negotiable instruments. 'The Bill,' he says, 'as altered by the Select Committee, is a carefully considered document, and, so far as I can see, leaves nothing unprovided for which is required in such an enactment.' The Recorder of Rangoon 'thinks the exclusion of hundis is the more to be regretted, considering the exhaustive and satisfactory manner in which the Bill has dealt with the particular classes of instruments it embraces.' Similarly favourable opinions have been received from two distinguished Native lawyers, Lakshmi Narayana Pandit of Lucknow, and Nanabhai Haridas of Bombay.

"The Report states minutely all the changes which the Committee have recently made. The first, and by far the most important, is that in section 1. The Bill as framed by the Law Commissioners and introduced into this Council was silent as to Native Bills of Exchange, commonly called hundis. The result of course would have been to render hundis subject to the Bill, without any saving of the custom of Native merchants. The Select Committee, therefore, inserted a clause declaring that nothing in the pro-

posed Act should apply to hundis. But this went too far in the other direction. The Madras Chamber of Commerce, the Recorder of Rangoon, the first Judge of the Small Cause Court at Rangoon, and Pandit Lakshmi Narayana have all urged us to bring hundis within the scope of the Act. As Lakshmi Narayana is a Native lawyer, I will first read the Council what he has said on this subject:—

"'I may also be permitted to state that I cannot understand why hundis have been excepted from the applicability of this Act unless it be to avoid interference with mercantile customs of Native bankers, whose opinion as to the suitableness of the law to their mutual transactions would perhaps be difficult to secure. After some enquiry from the mercantile classes of this city [Lucknow], I find that there is scarcely any difference between the provisions of the Bill and the rules which, under the sanction of mercantile custom, govern the rights and liabilities of parties to a hundi. I would respectfully suggest therefore that, unless there be any other strong objection to it, hundis be allowed to be governed by the same rules as the other Bills of Exchange, which is likely to facilitate dealings between Native merchants and bankers on the one part, and European bankers and houses on the other. The only part of the law which may be expected to be received as an innovation by Native bankers, and in the working of which they may find any difficulty, is chapter II as to noting and protest; but the appointment as notary in each city of a respectable Native with whom the bankers may be expected to be familiar, and who is sure to be easily accessible to them, is sure soon to reconcile them to it by showing them its undoubted advantages.'

"The Bill, I may remark, provides for the appointment of such notaries, Then the Madras Chamber of Commerce say:—

"'It appears to this Chamber that a law relating to Promissory Notes, Bills of Exchange and Cheques should apply to the instruments termed 'hundis' in use among Natives, which, presumably represent among the Native community the separately specified instruments employed by Europeans in financial and mercantile transactions. The Act extends to the whole of British India, and should extend to all inhabitants of British India who have occasion to use negotiable instruments. In other branches of legislation, no serious objection has been raised to making Natives, like Europeans, amenable to Acts framed on English law, and this Chamber see no occasion for an invidious distinction in the Bill under notice between the negotiable instruments of the two races. They submit that it should be an advantage to assimilate Native commercial practices to English usages.'

"The Recorder of Rangoon, after urging that the law relating to hundis stood more in need of definition than the law relating to Bills of Exchange, proceeds as follows:—

"'The omission of hundis may have arisen from a reluctance to interfere with the trading laws and customs of the country; but if that objection were allowed to have in all cases weight, no reformation or amendment of the law would take place; and there is no sufficiently strong reason why, in this instance, it should have any. I do not profess to have a wide acquaintance with the

law relating to hundis, but I have had both at the Bar and judicially frequently to deal with questions respecting them; and as far as my experience goes, and judging from the opinions I have received from bankers and Native merchants, I should say there is but a trifling difference in the law of hundis and that respecting our own Bills of Exchange, and that, with a slight alteration in the definition of a Bill of Exchange, the present Bill might very well be extended as it stands to hundis. Probably in some few of their incidents, as with respect to notice, there may be some little difference; but if they exist they could easily be ascertained and provided for. Practically, however, these instruments pass from hand to hand by indorsement, and are regarded in the same light and treated in the same way as if all the incidents of an English Bill of Exchange attached to them. The objection, then, that by including them with negotiable instruments which are foreign to the country in the same legislation, it would clash with our policy to leave the Native laws and customs intact, has not much force.'

"The first Judge of the Small Cause Court in Rangoon says:—

"'The law in the Presidency-towns has been adopted by the Natives in the Provinces as the custom of their dealings in hundis. The present Bill, with slight modifications, can be safely extended to hundis. Speaking by estimation, about 1,500 cases a year come before this Court on, or in respect of, Bills of Exchange and Promissory Notes. In almost the whole of them Indian subjects are alone concerned. . . . I therefore see as much of the practical working of the law of negotiable instruments as any Judge in India, and amongst various classes of people.

"'I would respectfully suggest the omission of the restriction as to hundis.'

"The true solution of the difficulty, which Lakshmi Narayana has perhaps underestimated, has been given by another eminent Native lawer, Nanabhai Haridas, who has acted as Judge of the High Court at Bombay, and is now Government Pleader in that Presidency. 'It is possible,' he says, speaking of the usages of Native merchants relating to hundis, 'to leave such customs and usages untouched, and yet, in matters not provided for by them, to apply the provisions of the Act to those instruments.' This is what the Committee have now done. For 'nothing in this Act applies to hundis,' the Bill now says 'nothing herein contained affects any usage relating to any instrument in an oriental language.' The Bill will thus not only embody the ruling of Sir James Colvile in *Amritram* v. *Damoodhur Dass*, that 'when the analogy between bills and hundis is complete, and there is no proof of any special usage, the English law applies:' it will also give effect to the first principle of the policy of codification which the Government of India has resumed, namely, that as little change as possible should be made in the substance of the existing law, whether enacted by the Legislature, declared by judical decision, or established by ancient usage. I may remark that our new words will not only save Native usages as to hundis, but also usages (supposing such to exist) as to Native promissory notes and cheques. The change is, as I have said, of the very first importance, and the Committee (chiefly in consequence of this change)

recommend that the Bill be republished, that it should be carefully examined by the local authorities, and that its further consideration should be stayed till we reassemble in Calcutta.

"The Report acknowledges the valuable criticisms received from the Chambers of Commerce at Calcutta, Madras, Bombay and Rangoon. They had been most useful, and the thanks of the Legislature were due to the able and busy men who had given up their valuable time to the work of improving the Bill. Omission to make any particular change which they recommended was not due to any carelessness or neglect on the part of the Committee, but solely to our inability to concur in the propriety of the change. Thus section 59 of the amended Bill (=section 70 of Bill No. II) declares that the indorser of a negotiable instrument may by express words restrict the right of the indorsee to negotiate, and gives 'Pay C' as an instance of an indorsement which does *not* exclude the right of further negotiation. On this the Bengal Chamber objects that 'at present, the indorsement 'Pay C' would be considered as requiring C to apply personally for the money, and would not empower him to transfer the document to any other than the drawee.' But I venture to maintain that the illustration is perfectly right. It has been ruled over and over again that the omission of the words 'or order' in a special indorsement will not restrain the negotiability of a bill, the reason being that the indorsee takes it with all its incidents, among which its negotiable quality is included."

His Honour the Lieutenant-Governor of the Punjab said that, as he should not be able to attend the Council when the Bill for Negotiable Instruments came up for consideration, he wished, with His Excellency's permission, to say a few words on the present occasion—though there was no motion before the Council—with regard to the alteration which had been made in the scope of the Bill by the amendment introduced into clause 1. When the Bill was first sent out in 1868, the Punjab Government, after consultation with the Judges of the Chief Court, objected to the inclusion of Native hundis in the scope of the Bill, and made certain recommendations regarding the way in which they should be treated. The Judges of the Chief Court, in their letter to the Punjab Government, showed clearly that there was a distinct *lex loci* in regard to hundis which universally governed those transactions; that a summary of it was to be found in the Manual of the principles of Civil Law, then in use in the Punjab, and which had been compiled, after very careful enquiry, by Mr. Temple,—now Sir Richard Temple—who had carefully enquired into the Native customs of the large commercial towns in the Punjab, and shown distinctly that the custom in regard to Native Bills of Exchange—hundis in fact—was very different in principle to that which prevailed in regard to such documents under English law. Subsequently, when the Bill was sent down to the Local Governments for consideration, hundis were expressly excluded from its scope; and he found now that, at a very late period, and upon what he thought insufficient reasons, the law regarding hundis would by this Bill be placed on an entirely different footing. Instead of hundis being excluded from the operation of the Bill, the provisions of it were now made applicable to them. Usages relating to

hundis were saved, but the existence of such usages would have to be proved in each case; and thus suits regarding hundis were placed upon a footing entirely different to that on which they stood in the first and second editions of the Bill. This was such a radical change in the Bill that, in the place of merely republishing it, he thought it should be referred to Local Governments for reconsideration and report. This did not appear from the motion on the paper, nor from the Report of the Select Committee, and for that reason he brought it to His Excellency's notice, as he desired that the Bill should not only be republished, but also be referred for reconsideration to the Local Governments. He was of opinion that the change had been introduced with much too little consideration, and, as it seemed to him,—so far as the Province over which he had the honour to preside was concerned—very much to the detriment of the law.

His Excellency the President remarked that, as he understood the observations of his hon'ble friend Mr. Stokes, it was proposed by him that the Bill should be referred to Local Governments for further consideration.

The Hon'ble Mr. Stokes was afraid that he had expressed himself indistinctly; but he certainly had intended to say, and he believed that he had said, that the amended Bill would be referred to the local authorities for examination. It had always been the practice of the Legislative Department, when republishing a Bill of importance, to send it again to the Local Governments for consideration and report; and on the present occasion, not only would this be done, but the Local Governments would be requested to have the Bill republished in their Gazettes in English and the Native languages. As to the statement of his hon'ble friend the Lieutenant-Governor that the *lex loci* was excluded by the Bill, he begged to say that, on the contrary, it was expressly preserved by the first section. What could be clearer than 'nothing herein contained affects any usage relating to any instrument in an oriental language?' If His Honour could suggest better words, he (Mr. Stokes) was sure the Committee would gladly adopt them. As to His Honour's other statement that the change had been made with much too little consideration, he would remark that, if His Honour had only been present on the Committee and heard the long and anxious discussion of the question, initiated by himself and maintained by the Advocate General (Mr. Paul), Mr. Evans and Sir Edward Bayley, he would never have made such a charge as that. The subject was one which had received the most careful consideration: the change was exactly in accordance with paragraph 19 of the despatch (Legislative, No. 34, dated 10th May, 1877) in which the Government of India had informed the Secretary of State of their intention to revise the Bill; and the extension of the Bill to hundis, far from causing detriment to the law in the Punjab or elsewhere, would, he (Mr. Stokes) was convinced, be regarded, not only by lawyers, but by all intelligent mercantile men, as highly beneficial.

His Honour the Lieutenant-Governor said that he understood that the Punjab Government had been, on one occasion, rebuked by this Council for sending in an uninvited opinion to the Select Committee of the Government of India in the case of the Punjab

Tenancy Bill of 1868. It was not stated in the List of Business that the present Bill was to be referred to Local Governments for consideration, nor was it stated in the Report of the Select Committee, and for that reason he thought it right to bring the matter to His Excellency the President's notice.

His Excellency the President observed that his hon'ble friend the Lieutenant-Governor was right in so doing, but that he fully understood his hon'ble friend Mr. Stokes' intention to be to refer the Bill again to Local Governments for their consideration. Still he thought it might be desirable to embody that intention in the form of a motion.

The Hon'ble Mr. Stokes then moved that the bill be referred to the Local Governments for consideration and report.

The Motion was put and agreed to.

No. 230 of 1878.

CHAMBER OF COMMERCE, BOMBAY, *30th October* 1878.

To the SECRETARY to GOVERNMENT, JUDICIAL DEPARTMENT.

SIR,—I am directed to acknowledge the receipt of your letter No. 4,500, dated the 2nd of August last, forwarding a copy of "The Negotiable Instruments Bill, 1878," and of the second report of the Select Committee thereon, and requesting that Government may be favoured with the opinion of the Chamber of Commerce on the provisions of the Bill.

The Chamber, having referred the Bill to the consideration of a Special Committee—consisting of Walter Lang, Esq., of the firm of Messrs. Finlay, Scott & Co., Chairman of the Chamber, The Honourable Mackintosh Balfour, Secretary and Treasurer of the Bank of Bombay, W. A. Baker, Esq., Manager of the National Bank of India, W. S. D. Blackhall, Esq., Manager of the Agra Bank, and M. Mowat, Esq., of the firm of Messrs. Ritchie, Steuart & Co., Deputy Chairman of the Chamber,—has now the honour to report upon those sections of the Bill, which, in the opinion of the Chamber, should be altered or amended.

SECTION 1. With reference to the proceedings of the Legislative Council of the Governor General on the 20th of June last, when the second Report of the Select Committee was presented, it seems to the Chamber that, so far as Bombay is concerned, the provision in this section that nothing contained in the Bill shall affect any usage relating to hundis is satisfactory.

SECTION 3. The interpretation of the word "banker"

remains unaltered, being made to include "also persons or "a corporation or company acting as bankers." In its report on the Negotiable Instruments Bill 1877, under section 36, the Chamber pointed out that there are in Bombay certain mercantile and agency firms, who are also styled bankers and act as such, and that it was desirable that the interpretation clause should be more clearly defined so as to shew whether or not it was the intention of the Legislature to include such firms as bankers under the proposed Bill. If it is intended to include such firms as bankers, it will give rise to much unnecessary trouble and embarrassment, in as much as they will thereby be entitled to the privileges of crossed cheques, and to exemption from giving receipt stamps, which a banker enjoys. The Chamber respectfully suggests that the definition of the word banker should be limited to persons or a corporation or company who do banking business only.

SECTION 16. The words "or any part" in the fourth and fifth lines of this section should be omitted, as inconsistent with section 65, which declares an endorsment on a negotiable instrument to be invalid for the purpose of negotiation if the endorsement purports to transfer only a part of the amount of the instrument.

SECTION 24. The marginal summary of this clause indicates that the clause explains the date on which a bill or note payable after date or sight or after a certain event "is at maturity," while the clause itself merely shews when "the period stated" shall be held to terminate. The illustrations appended to this clause also elucidate the date on which the period stated terminates, which can serve no practical purpose whatever. The Chamber is strongly of opinion that these illustrations will be apt to mislead, and that, as the days of grace cannot by law or custom be separated from the stated period of a bill or note, the section, with the illustrations appended, should be constructed so as to show the mode of calculating, not the day on which the period stated terminates, but the date on which as from the marginal summary of the clause appears to have been intended, the bill or note is at maturity.

SECTION 31. The term "legal representative" might mean either the legal representative of a deceased person such as an executor or administrator,—or any other legal representative, such as a recognized agent, a person signing per procuration or a constituted attorney;—but the Cham-

ber conceives that the term is intended to mean only the legal representative of a deceased person, in as much as in the report of the Select Committee the following occurs,—"13. We have declared (section 31) the law as to the liability of a legal "representative signing his name to a "note, bill or cheque." If the term as used in the Bill were intended to include a recognized agent and constituted attorney, as well as the legal representative of a deceased person, then section 31 would not declare the law as it now is, for an agent or a constituted attorney signing a bill on behalf of his principal would, if he followed the ordinary practice, sign his own name as well as that of his principal—thus, "A. B. by his constituted attorney C. D."—or "A. B. per procuration C. D.,"—and yet as the law now stands, if an agent or constituted attorney signed as above he would not incur any personal responsibility. On the other hand, if an executor drew or endorsed a bill as executor and did not expressly limit his liability he would incur personal responsibility, and if the term "legal representative" in the Bill be intended to mean "legal representative of a deceased person" only, then section 31 would be a declaration of the law as it now is. The Chamber concludes therefore that the latter is the sense in which it is intended to be read.

It that be so, it would be very desirable either that a definition of the term "legal representative" should be given in the Bill, or that the words "of a deceased person" should be added after "legal representative" in this section. It appears to the Chamber that if one of these two things be not done, the section will necessarily apply to recognised agents and constituted attornies as well as to executors, administrators and other legal representatives of deceased persons.

SECTION 90. *Explanation.* The Chamber begs strongly to repeat the recommendation, made in its previous report under section 102 of the Negotiable Instruments Bill 1877, that when the party charged is the endorser of an instrument dishonoured by non-payment he should be liable to pay interest from the date of dishonour, and not from the time only that he receives notice of the dishonour. The circumstances of the mercantile classes of India are so totally different from those of the same classes settled in England, where protracted delay can seldom occur in serving the notice of dishonour, that the application of the English law on this

point to India, as proposed by para. 2 of this section, would be unreasonable, and its operation an unnecessary hardship upon bankers. It is opposed to the custom which has always prevailed in Bombay, and the Chamber trusts that the custom will not be overruled by the Legislature.

SECTION 95.* The Chamber repeats the suggestion which it made in its report on the Negotiable Instruments Bill 1877, under section 107, that the words "bill of exchange or promissory note" should be inserted after the word "cheque."

Section 124.—The Chamber in its remarks under section 137 of the Negotiable Instruments Bill 1877, suggested that a provision should be inserted entitling the holder or endorser to recover, in addition to the expenses properly incurred in presenting, noting, and protesting an instrument, "commission, postages, and any reasonable charges." This suggestion however does not appear to have commended itself to the Select Committee, as no part of it has been adopted. The expression in rule (*a*) namely "the expenses properly incurred in presenting noting and "protesting" does not include commission which a banker or agent is fairly entitled to charge in the case of a dishonoured promissory note, bill of exchange, or cheque, and which it respectfully begs again to urge should be provided for in the rules under this section.

Section 126.—This section which corresponds with section 29 of the Bill of 1877, gives no definition of the term "he who first acquired title to his part." By the law of England, the party who first obtains acceptance of any one part of a set of bills is entitled to the whole of them. Bills drawn in China *on London* which customarily come by every mail into Bombay, and doubtless into Calcutta also, for negotiation, would accordingly come under the English law. The Chamber pointed out in its remarks under section 29 of the previous Bill that it would be a contravention of the English law and cause very great inconvenience if the holder who first acquired title to his part were to mean the holder who paid his part first or who first obtained endorsement in his favour. An illustration taken from Bills drawn in China *on Calcutta* which constantly come to Bombay for negotiation, will shew how embarrassing such a construction would be particularly so when it is remembered that bills drawn in the same country on London would be dealt with according to the law of England. A,

a merchant in Bombay, receives a set of these bills drawn in China *on Calcutta*, and negotiates the parts for value: he sells the first part to B, and the second part to C: B pays for his part before C: B's part comes in too late to be sent by registered post and is held back till next day: C sends his by ordinary dawk and procures acceptance before the arrival of B's part. Now, if the person who first acquired title to his part is intended to mean the person who first paid for his part, or who first obtained endorsement in his favour, B, who had paid for his part before C, would be entitled to the other part or parts of the bill, whereas, according to the English law, C, who had obtained acceptance, would be entitled to the other parts of the bill. The Chamber trusts that it is intended that the English law should apply in such a case; but as the point is of great importance, it desires to urge upon the Legislature the desirability of defining what their intention on the point is either in the section itself, or in illustrations appended to the section.—I have, &c.,

J. GORDON, Secretary.
W. LANG, Chairman.

APPENDIX G.

THE G. I. P. RAILWAY COMPANY'S GOODS TRAFFIC,—INSUFFICIENCY OF ROLLING STOCK.

No. 50 of 1878.

Chamber of Commerce, Bombay, 23*rd February* 1878.

H. Conder, Esq., General Traffic Manager, G. I. P. Railway Company.

Dear Sir,—Complaints have again been made to the Chamber of Commerce that large quantities of cotton, grain, and seeds, are lying at and outside the stations on the line, and cannot be forwarded for want of rolling stock.

In consequence of this merchants are prevented from fulfilling their contracts, and their operations are totally disconcerted by the excessive delay which occurs in the despatch of cotton, seeds, and grain from stations in Berar and Khandeish; and the Chamber learns that, at Oomrawuttee, the gates of the station have actually been closed and not a bale of cotton is received. Such a state of things occurring at the height of the cotton season is, I need not point out, most disastrous to the trade.

With regard to grain and seeds, specially the Chamber desires me to call your attention to the fact that, at Nagpore, large quantities of grain have been lying for months, and that at Hurdah alone, about 40,000 bags of grain—most of it lying there for a considerable time—are awaiting transport, the means of which do not appear to be available.

The goods traffic of the G. I. P. Railway, more particularly that of grain and seeds, has now been subjected to these ruinous delays for more than a year. It was hoped that, as the demands upon the Company's resources to convey grain to the famine-stricken districts had passed off, and as a great deal of the additional rolling stock was now at work, no further complaints would have been made of the inefficiency of the traffic arrangements of the Company. Whatever, however, be the cause of the renewed failure of the Company to overtake the increasing goods traffic of the line, the Chamber trusts that no endeavours will be spared to move away the produce which is now delayed and accu-

mulating at many of the stations to the serious injury of the merchants interested.—I have, &c.,

J. GORDON, Secretary.

No. 6173.

GREAT INDIAN PENINSULA RAILWAY COMPANY.
GENERAL TRAFFIC MANAGER'S OFFICE.

BOMBAY, *2nd March* 1878.

J. GORDON, Esq., Secretary, Chamber of Commerce, Bombay.

DEAR SIR,—Your letter of the 23rd ultimo as to complaints having been made that large quantities of cotton, grain, and seed are lying at and outside the stations on this Railway, was duly received.

2. I think that matters are hardly so bad as would seem to be implied in your letter. There was an unfortunate accident last week which stopped traffic for many hours and caused a great accumulation and consequent delay.

3. You may be sure that no endeavours will be spared to move away as soon as possible all traffic that is brought to us for conveyance. The Public Returns show that we are not unmindful of the necessities of the case, for we are now carrying even more traffic from our own districts than we did in the height of the famine of last year.—Your's, &c.,

HENRY CONDER, General Traffic Manager.

No. 88 D OF 1878.

CHAMBER OF COMMERCE, BOMBAY, *13th March* 1878.

HENRY CONDER, Esq., General Traffic Manager, G. I. P. Railway Company, Bombay.

DEAR SIR,—I am directed to acknowledge the receipt of your letter No. 6173 of the 2nd instant, and to say that it appears to the Chamber to be very unsatisfactory that, after the experience of the last 12 months, the Railway Company should still be in no better position as regards the sufficiency of their supply of rolling stock for their ordinary traffic than they were a year ago. The fact which you mention that the Company are now carrying more traffic from their own districts than they did in the height of the famine of last year, affords little satisfaction to merchants whose produce has been lying at the stations for months

back for want of rolling stock to move it away.—I have, &c.

J. GORDON, Secretary.

No. 7125.

GREAT INDIAN PENINSULA RAILWAY COMPANY.
GENERAL TRAFFIC MANAGER'S OFFICE.
BOMBAY, *15th March* 1878.

JOHN GORDON, Esq., Secretary, Chamber of Commerce, Bombay.

DEAR SIR,—I have to acknowledge the receipt of your letter of the 13th instant as to the supply of rolling, &c., by this Railway.

2. Perhaps the statement that the Company are in "no better position" "in regard to the ordinary traffic "than they were a year ago" does not altogether represent the true state of the case.

The difference which the Chamber does not appear to recognize is, that the traffic which we are now expected to carry can hardly be said to be the ordinary traffic for, leaving out of consideration the exceptional condition of things brought about by the famine last year, we are carrying in round figures fifty per cent. more traffic than the ordinary traffic of previous years. And the point which it is difficult to determine is, whether the present traffic is really what might have been expected as the ordinary traffic of this year, and further, whether in future years there will be any such traffic as that which is now engaging our attention.

3. The further statement that the "produce has been "lying at the stations for months back" appears also to need confirmation.

It is not too much to say that before the new crops were harvested there was scarcely any grain and seed that merchants cared to send forward. Indeed, at nearly all places, there was none to send.

And as to Nagpur which is probably almost the only place to which this would not apply all the grain and seed that was registered, as waiting to be despatched in January last, was actually sent away before the eighth of February.—Yours, &c.,

HENRY CONDER, General Traffic Manager.

No. 49 of 1878.

CHAMBER OF COMMERCE, BOMBAY, 23*rd February* 1878.

The SECRETARY to GOVERNMENT, Railway Department, Bombay.

SIR,—The Committee of the Chamber of Commerce direct me to bring to the notice of Government that, notwithstanding the remonstrances made during the last 6 months, little improvement has been effected in the working of the G. I. P. Railway Company's goods traffic. Produce is again accumulating at the stations in the Central Provinces and Berars for want of rolling stock to forward it; at Nagpore, for instance, large quantities of grain have been lying in the town for months, and at Hurdah about 40,000 bags—most of it lying there for a considerable time—are awaiting transport by rail, the means of which do not appear to be available, and the same remarks apply to most other stations more or less. Complaints are also now specially made by merchants of the excessive delay which occurs in the despatch of cotton from the stations in the Berar and Khandeish; and it has come to the knowledge of the Chamber that, at Oomrawuttee, the gates of the stations have been closed, and not a bale of cotton is received. Such a state of things as this, occurring at the height of the season, is most disastrous to the export trade.

The G. I. P. Railway Company's goods traffic—more particularly that of grain and seeds—has now been subjected to these delays for more than a year, to the serious injury of merchants interested in it. The Chamber had hoped that when the railway had ceased to be exclusively devoted by Government to the famine traffic, the export traffic would have suffered no further embarrassment from the inability of the Company to grapple with it successfully. If the Railway Company's rolling stock is still insufficient for the conveyance of the increasing export trade, the authorities were bound in the public interests to supplement it, the moment it was seen to be unequal to probable requirements, to such an extent as would amply provide not only for this increasing trade, but for exigencies which experience has taught us, might be of frequent occurrence. It must be apparent to His Excellency that this continued failure of the Railway Company to keep pace with the export trade of the Presidency is no less injurious to mer-

cantile interests than it will be eventually to the imperial revenue and the prosperity of the country; and in respectfully requesting his immediate attention to the subject, I am directed to express the hope that measures will be at once adopted to remove the cause of complaints which merchants have had too just reason to make during the last 12 months against the inefficiency of the Company, whatever may be the cause to which that inefficiency is now attributable.—I have, &c.,

J. GORDON, Secretary.

No. 428 OF 1878.

PUBLIC WORKS DEPARTMENT (RAILWAY).

BOMBAY CASTLE, 1*st March* 1878.

To the SECRETARY to the CHAMBER of COMMERCE, Bombay.

SIR,—I am directed to acknowledge the receipt of your letter, dated 23rd ultimo, complaining of the failure of the G. I. P. Railway Company, to keep pace with the increasing export trade of the Bombay Presidency, and to forward, for the information of the Chamber, copy of a Resolution of the Bombay Government No. 427, dated 1st instant.—I have, &c.,

H. F. HANCOCK, Colonel, R.E.,
Under-Secretary to Government.

No. 427 OF 1878.

P. W. DEPARTMENT (RAILWAY).

BOMBAY CASTLE, 1*st March* 1878.

Read the following:—

RESOLUTION.—A copy of the letter of the Chamber of Commerce should be sent to the Consulting Engineer for Railways, and the Agent, Great Indian Peninsula Railway Company, for early report.

2. The position at present appears to be as follows:—

The goods traffic now being carried by the Great Indian Peninsula Railway is larger in respect of tons lifted, though less in respect of ton mileage than it was this time last year. In other words, more goods are handled, but they are not carried so far. In 1877 the famine in the Deccan and Madras attracted grain in large quantities to the South-East line, but this year the traffic is less than in

1877 on the South-East line, while heavier on the North-East line and Nagpur branch. The line has been much improved for working purposes during the past year by the addition of several crossing and signalling stations. The Company are also better provided with engines, and are adding to their locomotive stock week by week.

On the other hand, the number of foreign wagons coming on to the Railway from northern lines at Jabalpur is considerably less than in 1877, while there is a heavier demand than ever for wagon stock at Great Indian Peninsula Railway stations.

The Bombay Government have accordingly supported the recent application of the Railway Company to augment it by the addition of 1,000 ten-ton covered wagons.

These wagons cannot be on the rails for some months, and in the meantime the Agent is endeavouring to supplement the existing wagon stock by hiring from other Companies; more wagons will be available for trade purposes when all the permanent way material for the Dhond and Manmad line has been carried down; the additional engines may enable the Traffic Department to obtain more work out of the stock now on the line; it is understood that the question of improving the working of the stock, so as to obtain better results from it, is engaging the special attention of the Traffic Manager; that the work of replacing defective axles, so necessary to prevent the disastrous failures which are now so common, is being pushed forward as rapidly as means permit, and that wagons of a larger and stronger type are being substituted for the old stock as these are brought into the shops for renewal.

3. Should the Agent be of opinion that further and immediate measures are necessary, he should take prompt action. The Chamber of Commerce should have a copy of this Resolution, and the papers should be forwarded to the Government of India for information.

H. F. HANCOCK, Colonel, R.E.,
Under-Secretary to Government.

No. 88 C of 1878.

CHAMBER OF COMMERCE, BOMBAY, 13*th March* 1878.

The AGENT of the G. I. P. Railway Company, Bombay.

DEAR SIR,—The Committee of the Chamber have had

under consideration Government Resolution No. 427, of the 1st instant, on the letter of the Chamber, complaining of the continued failure of the Railway Company to keep pace with the export trade of the Presidency.

From this Resolution, the Committee observe with pleasure that Government has now desired you to take immediate action to adopt whatever measures you may consider necessary to place the working of the line on a thoroughly efficient footing. They therefore desire me to express their earnest hope that the measures which, they presume, the Railway Company will now at once adopt, will include not only a supply of engines and of wagons sufficient for the requirements of a largely increasing ordinary traffic, but a reserve of rolling stock as a provision for exigencies, and the construction of sidings, or crossing places, at suitable distances, wherever these are necessary, to admit of the more rapid conveyance of produce over single lines of railway.

I am also desired to inform you that it is their intention to address your Home Board on the necessity which exists for doubling the line over certain portions, and generally on the desirability of their giving to their Agent in this country full power to make the line thoroughly efficient,—I have, &c.,

J. GORDON, Secretary.

No. 3936.

GREAT INDIAN PENINSULA RAILWAY COMPANY.

BOMBAY, 14*th March* 1878.

J. GORDON, Esq., Secretary, Chamber of Commerce, Bombay.

SIR,—I beg to acknowledge the receipt of your letter, dated the 13th instant, in which you express the hope of the Committee of the Chamber that this Company, in view of a largely increasing ordinary traffic, will, *inter alia* provide a reserve of rolling stock as a provision for exigencies, and further advising me that it is the intention of the Chamber to address the Directors of this Company regarding the necessity that in the opinion of the Chamber exists for doubling the line, and generally to desire the Board to instruct the Agent of the Company in India to make the line thoroughly efficient.

The Committee of the Chamber are aware that large additions have been, and are being, made to the Company's rolling stock, that increased facilities for passing trains,

extending siding accommodation, increasing the carrying power of the present stock, and other works, are being carried out at a very large expenditure ; when these, and other additions at present in contemplation are completed, the line will, in my opinion, be efficient for dealing with such a traffic as there is fair reason to expect.

The power of the Company is far more than sufficient to deal with a traffic equal to the season of 1876. The pressure thrown upon the line in 1877 by the lamentable distress that prevailed in this, and the Madras Presidency, cannot be accepted in any way as a criterion of a future traffic, and it is not possible to say what influence the termination of the War between Russia and Turkey, and the opening of the Black Sea ports, will have on the trade of this country, and for this reason it appears to me to be unsafe to rely upon the present traffic as a guide to the future. But if the Committee of the Chamber are in possession of any reliable information which would tend to show that this is an underestimate of the future, and that there is a reasonable certainty of a continuance of the present exceptional traffic, I shall be glad to receive it and lay it before my Board.

I need not point out to the Committee that the carrying power of every railway is limited, and that if the principal portion of the export produce of the season is brought to the neighbourhood of the Company's stations within a few months, no practicable arrangements can prevent some accumulation and some delay.—I have, &c.,

G. A. BARNETT, Agent.

No. 87 of 1878.

CHAMBER OF COMMERCE, BOMBAY, 11*th March* 1878.

The AGENT of the G. I. P. Railway Company.

DEAR SIR,—The Committee of the Chamber desire me to ask you if you will kindly furnish them with a statement of the total wagon stock of the Company, showing separately the number of effective, and of non-effective, wagons, of the various kinds or sizes possessed by the Company at the present time, and similar information as to the number of each kind which the Company had about this time last year.—I have, &c.,

J. GORDON, Secretary.

No. 3935. E C

GREAT INDIAN PENINSULA RAILWAY COMPANY.

BOMBAY, 14*th March* 1878.

J. GORDON, Esq., Secretary, Chamber of Commerce, Bombay.

SIR,—I beg to acknowledge receipt of your letter, dated the 11th instant, and in reply to your enquiry as to the wagon stock of this Company, I think the Directors' reports to the Shareholders afford the information you desire. They contain a complete description of the Company's stock and its condition.

You will have learnt from the recent Government Resolution, in reply to the letter of the Committee of the Chamber to Government, that considerable additions to the stock are being made, and in fact it is being augmented day by day.—I have, &c.,

G. W. BARNETT, Agent.

No. 104 OF 1878. C

CHAMBER OF COMMERCE, BOMBAY, 3*rd April* 1878.

G. A. BARNETT, Esq., Agent G. I. P. Railway Company, Bombay.

SIR,—The Committee desire me to thank you for the information contained in your letter No. 3935 of the 14th ultimo.

The latest Directors' reports to the Shareholders are for the half-year ending 30th June 1877. The Committee, however, require for purposes of comparison a statement of engine and rolling stock brought down to a later date, and they have requested me to ask you if you will kindly furnish them with a copy of the statement which has doubtless been prepared for the half-year ending 31st December last. —I have, &c.,

J. GORDON, Secretary.

No. 4935 C

GREAT INDIAN PENINSULA RAILWAY COMPANY,

AGENTS OFFICE, BOMBAY, 4*th April* 1878.

J. GORDON, Esq., Secretary to the Chamber of Commerce.

SIR,—In reply to your letter of the 3rd instant, I am desired to forward to you the accompanying statement of the engine and rolling stock for the half-year ending 31st December 1877.—I have, &c.,

H. J. P. THOMSON, Secretary.

No. XII.

STATEMENT of Engine and Rolling Stock for the Half-year ending 31st December 1877.

Description.	1	2	3	4	5	6	7	8	9	10	11
	Total Stock authorized.	Total Stock constructed against authorizations up to the last day of the previous half-year.	Additions to Stock during the half-year.	Reduction of Stock.	Total Stock on the list at end of the half-year.	Actual Stock in running order on the last day of the half-year.	Repairs and Renewals.				
							Number of Vehicles Repaired during the half-year.	Number of Vehicles Renewed during the half-year.	Number of Vehicles undergoing or awaiting Repairs on the last day of the half-year.	Number of Vehicles undergoing or awaiting Renewals on the last day of the half-year.	Average number undergoing Repairs and Renewals at any one time.
Engines.—											
Tank	49	49	...	...	49	41	14	...	8	...	10
Passenger	146	108	...	*2	106	80	41	...	26	...	28
Goods...	276	188	*12	...	200	149	54	2	51	...	44
Total..... G. I. P. R.	471	345	12	2	355	270	109	2	85	...	82
Total..... Hired	...	12	1	†13	...	...	4	...	...	...	...

Coaching Vehicles.—												
Saloon	2	2	...	...	2	2	2	...	...	...	...	1
Family Carriages	4	4	...	...	4	4	8	...	...	...	...	...
Officers' ,, ...	1	1	...	...	1	1	...	...	...	...	...	3
Sleeping ,, ...	43	31	...	...	31	29	97	...	2	...	2	13
First Class ,, ...	47	45	...	...	45	33	162	...	10	2	4	8
Composite ,, ...	116	72	...	...	72	65	138	...	3	4	1	33
Second Class ,, ...	204	156	...	...	156	147	339	...	8	1	2	19
Third ,, ,, ...	426	388	...	...	388	379	1,047	...	7	2	1	10
Fourth ,, ,, ...	79	60	...	...	60	55	150	...	4	1	5	13
Horse Boxes	100	93	...	...	93	82	277	...	6	5	1	2
Carriage Trucks	63	27	...	...	27	26	48	...	...	1	...	...
Military Hospital Carriages	6	6	...	...	6	6	...	...	...	...	...	...
Post Office Vans	5	5	...	...	5	5	9	...	...	...	...	...
Composite Post Office 2nd Class Carriages ...	12	15	...	...	15	15	34	...	...	...	...	1
Brake Vans	413	381	...	...	381	292	1,353	1	57	32	80	
Compound Third Class Incline Vans	20	28	...	...	28	27	315	...	1	...	3	
Total.....	1,541	1,314	...	...	1,314	1,168	3,979	1	98	48	186	
Goods Vehicles—												
High-sided Wagons	964	375	...	‡48	327	305	1,157	48	22	...	49	
Low-sided ,, ...	2,945	2,551	‡48	...	2,599	2,482	7,761	302	117	...	247	
Covered Goods ,, ...	1,083	391	...	...	391	326	1,248	...	19	46	67	
,, Cotton ,, ...	4,102	2,680	...	...	2,680	2,422	10,512	200	218	40	291	
Powder Vans	19	17	...	...	17	15	46	...	2	...	1	
Cattle and Sheep Trucks	121	133	...	...	133	95	194	...	9	29	32	
Brake Vans (Incline)	136	37	...	...	37	34	350	...	3	...	5	
Rail and Timber Trucks	156	141	...	...	141	118	228	...	8	15	21	
Ballast Wagons	280	280	...	...	280	263	346	...	12	5	16	
Pilot Trucks	20	24	...	...	24	24	4	...	...	...	...	
Water Tanks	12	12	...	...	12	11	5	...	...	1	1	
Travelling Cranes	38	38	...	...	38	38	19	...	...	...	1	
Total.....	9,876	6,679	48	48	6,679	6,133	21,870	550	410	136	731	

No. 110 OF 1878.

CHAMBER OF COMMERCE, BOMBAY, 13*th April* 1878.

G. A. BARNETT, Esq., Agent, G. I. P. Railway Company, Bombay.

SIR,—I am directed to acknowledge the receipt of your letter No. 3936 of the 14th ultimo.

The Committee duly observe your remark that the power of the Company is far more than sufficient to deal with a traffic equal to the season of 1876; but the Committee do not feel able to concur in that opinion. Although the famine ended in October, the produce offered from that month until quite lately has been in excess of what the Railway Company have been able to move, and the line has been unable to cope with the traffic without great delays.

Much stress is laid upon the unusual famine traffic of last year, but it should be remembered that all the grain, oil-seeds, and cereal crops of the latter part of 1876-77, in Khandeish and the Central Provinces, were very deficient, and that even although the gingelly, linseed, and wheat crops of this year are *again* deficient (being generally believed to be short of the small crops of 1876-77), the Railway has been unable to move the supplies tendered to it without serious delay. Now if the crops of these articles had been equal in 1876-77 and in 1877-78 to the crop of 1875-76, very much more serious blocks would have occurred on the line, and if the next crops are heavier than we have ever known, as they are quite likely to be after 2 years of short crops, the Company's rolling stock would, the Committee think, be inadequate to the ordinary traffic, and very serious injury will again be done to the export trade.

Another point which appears to have been overlooked is the fact that in 1875-76 the flow of traffic from the Northern lines—the East Indian and the Sind, Punjaub, and Delhi had not set in. That is now a traffic which in years of ordinary crops in the North-West may be looked upon as a yearly increasing item of traffic. It has not been so brisk this year as last year because the famine stimulus was wanting, and because of the scarcity and short crops in the North-West.

With regard to your remark that it is not possible to say what influence the termination of the war between Russia and Turkey, and the opening of the Black Sea ports

will have on the trade of this country, and that for that reason it appears to you to be unsafe to rely upon the present traffic as a guide to the future, the Committee need only remark that more linseed and wheat was shipped from this Port when the Black Sea was open before the war, than was shipped when it was closed during the war. The war broke out in April last, and in the year ending 31st March 1877, the quantity of linseed exported was 2,088,115 cwt., and of wheat 1,234,094 cwt.; while, in the year ending 31st March 1878, during the greater part of which the war was carried on, the quantity of linseed exported was 1,998,590 cwt. and of wheat 1,142,655 cwt.

The Committee have already expressed to you their views in regard to a supply of rolling stock being laid in as a provision for exigencies, but they cannot too strongly impress upon you the extreme importance of the rolling stock being amply sufficient for the ordinary development of the export trade of the country in ordinary years. This development has not been peculiar to Bombay; it has been equally great in all the districts of Northern India. But the following table shews how largely the export trade, at Bombay alone, in linseed and wheat has expanded in the last five years.—

	Year ending 31st March 1874.	Year ending 31st March 1875.	Year ending 31st March 1876.	Year ending 31st March 1877.	Year ending 31st March 1878.
	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.
Linseed	521,953	798,694	2,161,652	2,088,115	1,998,590
Wheat	434,453	633,681	837,041	1,234,094	1,142,655

That the export of linseed in the year ending 31st March 1876 was larger than the export of the two following years is accounted for by the fact that the harvest of 1875 was a very bountiful one while we have since had two consecutive years of deficient crops. It is owing to this deficiency of the crops since 1875 culminating in the very short crops of 1877-78 that so much produce is not now offering and it is also only reasonable to suppose that the uncertainty of political affairs in Europe is for a time seriously hampering the flow of trade and keeping produce in the country. These circumstances, however, should not induce the Railway Company to delay making such additions to their rolling stock and otherwise increasing the efficiency of the line, as

would place them in a position to carry all their ordinary traffic and any famine traffic that might arise.

The Committee are glad to learn that large additions have been and are being made to the rolling stock, though this is not apparent from the statement of engine and rolling stock for the half-year ending 31st December last with which you have been so good as to supply the Chamber. From that statement it appears that the total stock of goods engines authorized is 276, and of goods vehicles 9,876, while the total stock of engines constructed and on the list was 200, and of goods vehicles 6679, showing a deficiency of 76 goods engines and 3,197 goods vehicles on the total stock authorized. If this deficiency had not existed, there would probably have been no cause of complaint, and the company would have been able to carry all the produce which had been offered to it.—I have, &c.,

J. GORDON, Secretary.

No. 88 A of 1878. ب

CHAMBER OF COMMERCE, BOMBAY, 12*th March*. 1878.

The SECRETARY to GOVERNMENT, Railway Department.

SIR,—I am directed to acknowledge the receipt of the Resolution of Government No. 427, of the 1st instant, on the subject of the measures taken to improve the efficiency of the G. I. P. Railway.

From this Resolution, the Chamber learns that, while the failure in the working of the traffic last year, when famine existed, was ascribed to deficiency of engine power, it is this year, when there is no famine, and when there is nothing but the ordinary traffic to contend with, attributed to deficiency of carrying power. The Chamber observes with satisfaction that Government has supported the recent application of the Railway Company to augment their wagon stock by the addition of 1,000 ten-ton covered wagons. It can, however, form no idea whether this addition will be sufficient for the requirements of the largely increasing traffic from the producing districts to the Port, but as Government has now desired the Railway Company to take immediate action to place the line and the working of the traffic on an efficient footing, it

trusts that His Excellency in Council will promptly sanction whatever measures the Railway Company may recommend, and, to the utmost of his power, accelerate their introduction.

The Chamber at the same time respectfully submits that the public interests demand that the G. I. P. Railway Company's stock of engines and of wagons should not only be at all times sufficient for the probable requirements of their increasing ordinary traffic, but that the Company should also be required to provide an additional stock to be held in reserve for the recurrence of famine, or for other exigencies. Besides the deficiency of rolling stock, another obstacle to the working of the traffic has been the great want of sidings or crossing-places, at suitable distances, and the consequent impediment to the rapid conveyance of produce over single lines of railway. These sidings or crossing-places should be at once constructed whereever necessary, and while on this point I may observe that, in the course of a few days, the Chamber will again address Government with suggestions for doubling the line over certain portions.

In conclusion, I am desired to say that, while the Chamber is and always will be grateful for any measures that may be adopted to improve the working of the G. I. P. line, it can only express its deep regret that after the great injury done to the export trade by the failure of the Company in working the traffic during the last 12 months, greater foresight was not exercised in providing in proper time sufficient carrying power for the traffic of the present season, instead of deferring this necessary measure until the season was far advanced and the additional wagon stock sanctioned could not possibly be ready and available until the season had passed.—I have, &c.,

J. GORDON, Secretary.

No. 597 OF 1878.

P. W. DEPARTMENT (RAILWAY).

BOMBAY CASTLE, 21*st March* 1878.

To the SECRETARY to the CHAMBER of COMMERCE, Bombay.

SIR,—I am directed to acknowledge your letter, dated the 12th instant, referring to G. R. No. 427 of 1st Idem, in which were recapitulated the steps taken to improve the

carrying powers of the G. I. P. Railway, and to make the following observations in reply :—

2. In the first place, I am to explain that, if it be supposed that no famine exists in the present year, such a supposition would not be borne out by present facts. Although there is no such famine as that which existed last year, there is still a very great amount of distress arising from high prices and from partial failure of winter crops, all which creates a very heavy grain traffic, not for exportation to Europe, but both down the line of the B. B. & C. I. Railway to Kattywar and other ports of Guzerat, as also from Bombay to the southern ports.

3. Next I am to mention that during the months of January and February last the G. I. P. Railway carried 6,200 tons more than in the corresponding period of 1877, while, as compared with the returns for 1875 and 1876, the increase is in the proportion of 3 to 2. In other words, although the Railway is not doing all that could be wished under a great and sudden development of traffic, still it is doing more than it has ever done of late years, and very much more than it was doing two years ago ; and there is prospect of its doing still more yet.

4. His Excellency the Governor in Council duly observes your remark that the Chamber of Commerce "can form "no idea" whether the additional 1,000 ten-ton wagons, the sanction for which was alluded to in G. R. No. 427 "will "be sufficient for the requirements of the largely increas- "ing traffic from the producing districts to the Port." But he was in hopes that the Chamber might be able to offer the Railway Company and Government a reliable forecast of the future traffic, which would have proved a guide to the number of engines and rolling stock which should be prepared. His Excellency in Council will be glad of any information which the Chamber may at any time be able to offer on the subject.

5. I am to observe that the advisers of Government and of the Railway Company are bound to be cautious in recommending the outlay of large sums on Capital Account, so as not to involve the company in unprofitable expenditure. If forecast, which is always fallible, should lead to too large an augmentation of rolling stock, if there should be a sudden diminution of demands for carriage, as there has been a sudden rise during the past fifteen months, and if there should be an accumulation of unused rolling stock,

then those who had advised the augmentation of that Stock might be open to imputations of extravagance. It is natural, therefore, that some caution and hesitation should be evinced in this matter. The expenditure incurred or ordered in additional works on the open line and additions to engines and rolling stock since October 1876 already amounts to over sixty lacs.)

6. With regard to the suggestion that the Railway Companies ought, in addition to sufficient stock for ordinary work, to provide a reserve to meet any famine traffic which may arise, I am to say that the Governor-in-Council sees much force in this suggestion. But it is probable that the companies will demur to undertaking such a scheme. If it should have to be undertaken by Government then some consideration will be needed on financial grounds. And although the Governor-in-Council will represent this matter in the proper quarter he is unable to say whether such a plan is feasible.

7 With regard to the subject of crossing stations, I am to observe that during the past year 1877, thirty-four crossing and signalling stations were opened, and that ten more are now in hand. If the Chamber should think that some more are still required, perhaps it will favour Government with particulars as to the points or places where such requirements are believed to exist.

8. Government will await the letter promised by the Chamber, regarding the doubling some portions of the line; but the subject, I am to state, has been more than once under consideration, and is now being considered. Any suggestions that the Chamber may have to offer will receive due weight.

9. I am further to observe that, while it is proper that the initiative in all measures for augmenting the carrying power should be taken by the Railway Company, the necessity of providing for the increasing traffic has unceasingly been urged by Government on the Agent, conspicuously so in the matter of providing additional engines last year. This Government also, as the Chamber will probably recollect, gave the whole weight of its earnest and sustained advocacy to the attainment of this object, which has, indeed, to some extent been attained. Further, this Government has never hesitated to take upon itself the responsibility of ordering the commencement of works, the immediate necessity for which was established, in anticipa-

tion of the sanction of the Government of India, nor has its action in this respect been on any occasion questioned by that high authority. The Chamber need therefore be under no apprehension that any avoidable delay will occur in according sanction to any well considered proposals that the Railway Company may bring forward. His Excellency in Council desires further to reiterate a general assurance of sympathy with the wants of trade in this respect, and of anxiety to do all that is practicable for furtherance of the objects which the Chamber naturally has at heart.—I have, &c.,

H. F. HANCOCK, Colonel, R.E.,
Under-Secretary to Government.

No. 117 OF 1878.

CHAMBER OF COMMERCE, BOMBAY, 30*th April* 1878.

The UNDER-SECRETARY to GOVERNMENT, Public Works Department, Bombay.

SIR,—I am directed to acknowledge the receipt of your letter No. 597, of the 21st ultimo, from which the Chamber learns that although the Railway is not doing all that could be wished under a great and sudden development of traffic, still it is doing much more than it has ever done of late years, and very much more than it was doing two years ago, and that there is prospect of its doing still more yet.

This great development, the Committee desire to remind His Excellency the Governor in Council, began in the year 1875-76; it was the result of a bountiful harvest, the export of which was in a great measure stimulated by the reduction, in September 1875 of the G. I. P. Railway Company's rates for the carriage of grain and seeds. The total export from Bombay, in the year ending 31st March 1876, of wheat, and of linseed, rapeseed, and gingelly seed, was 3,805,059 cwt. against 1,694,436 cwt. in the year ending 31st March 1875, and 1,142,276 cwt. in the year ending 31st March 1874; and it is worthy of note that, notwithstanding the subsequent years of scarcity, the great development of traffic which began in the year ending 31st March 1876, has been maintained. The total Export of wheat and seeds in the

year ending 31st March 1877 was 3,887,442 cwt., and, in the year ending 31st March 1878, 4 288,268 cwt. If the last two years had been years of ordinary abundance, it is reasonable to suppose that the export trade in those years would have assumed very much larger proportions, as it is likely to do next year if the crops are good.

The question of the probable continuance of this development of production in the Central Provinces is naturally a source of much anxiety to those who are responsible for duly providing for the requirements of the traffic of the Railway, but it should be remembered that, while the demand in Europe for wheat and seeds shows no symptom of falling off, the capabilities of the producing districts are still far from being exhausted. In the statement exhibiting the moral and material progress and condition of India during the year 1872-73, presented to Parliament, it was stated (page 26) that the area of land under cultivation in the Central Provinces was 36,046,250 acres, that a little less than a third was cultivated, and that about another third was cultivable. In the Report, however, on the Trade and Resources of the Central Provinces for the year 1876-77, by the Chief Commissioner, we find that (page 11) the total area under cultivation (not including that of the Sambalpur district not previously stated) was about 14½ millions of acres, leaving 11½ millions of acres of cultivable land still uncultivated. From the same Report, it appears that the area under wheat cultivation in the year 1876-77 was almost the same as it was in the preceding year, so that the increase in the exportation must have been taken from an increased yield per acre or from the reserve stocks in the country. With regard, however, to oilseeds, the Commissioner (page 15) observes :—"These "include linseed, castor, gingelly or teel and other, and "occupied 1,350,397 acres, the increase over the previous "years being considerable owing to the continued unlimited "demands for seeds for the European Market." "Should "the foreign demand continue as it has for the past few "years, the profits to the agriculturist, which this crop will "bring him, will be very great, considering that in past "years it was but a small article of export."

Nor has the increase in exports been confined to the Bombay Presidency; it has been equally great from all parts of British India; and the through traffic from the northern lines, which has not been so brisk this year because

of the scarcity and short crops in the North-West, may now be looked upon as a yearly increasing item of traffic in years of ordinary crops in the North of India. The great increase in the exports of wheat and seeds from British India, during the last four years, will be seen from the following table :—

Total Exports in	Wheat.	Linseed.	Rapeseed.	Teel or Gingelly.
	Cwt.	Cwt.	Cwt.	Cwt.
1874-75	1,069,076	3,595,798	827,430	1,203,222
1875-76	2,498,185	6,282,512	2,241,843	1,409,908
1876-77	5,583,336	5,614,617	2,088,760	1,307,815
Total Exports in eleven months only of 1877-78.	6,314,401	7,013,532	3,114,280	1,079 904

These articles have established a position in European markets and the extraordinary development which the table shows appears to the Chamber to indicate how very important an item the through traffic from the Northern lines would become in the export trade of this Presidency, if under a more liberal system of management the G. I. P. Railway Company's special grain rates were reduced to the same level as those of the E. I. Railway Company.

These considerations induce the Committee to think that an addition of 1000 ten-ton wagons will not be sufficient for the requirements of the largely increasing traffic of the line. In the statement of engine and rolling stock for the half-year ending 31st December 1877, it appears that the total number of goods engines, authorized was 276, while the total stock on the list at the end of the half-year was 200 ; and that the total wagon stock authorized was 9,876 goods vehicles, while the total stock in the list at the end of the half-year was 6,679 only, showing a deficiency in the actual stock, compared with that authorized, of 76 goods engines and of 2197 goods vehicles. The Committee have no information as to the basis on which the calculation of the authorized engine and wagons stock was arrived at, but the numbers seem to them to represent pretty fairly what the engine and wagon stock of the Company should be at the present time ; and they consider that the failure of the G. I. P. Railway Company, until very recently, to deal with their ordinary traffic, without very serious delays, justifies the Chamber in respectfully urging His Excellency to insist

upon the Railway Company, completing within the earliest practicable period, their engine and wagon stock up to their authorized limits. While mercantile interests were suffering from the total inability of the G. I. P. Railway to move its traffic, the Company's statements of engine and rolling stock show that, in the whole of the year 1877, there was no addition made to the wagon stock of the Company, and that although in the second half of the year the number of goods engines authorized was increased by 43, and the stock on the list by 12 engines, yet the actual stock of goods engines in running order on the 31st December 1877 was less than it was on the 31st December 1876.

With regard to paragraph 5, I am desired to observe that the great expansion of the export trade of this Presidency since the year 1874-75 was due not to any exceptional circumstances affecting the European markets, for the exports of linseed and wheat, with which the G. I. P. Railway Company are principally concerned, were larger in 1876-77, the year before the Russo-Turkish war, than they were in the year of the war 1877-78, and it may therefore reasonably be inferred that it will be of a permanent character. The Chamber, therefore, in urging upon Government the augmentation of rolling stock to the limits authorized, is of opinion that, except perhaps in times of political disturbance or of short crops, there need be no apprehension of an accumulation of unused stock. But the cost of the suggested augmentation of engine and rolling stock, and of any reserve stock that might be provided to meet any traffic which might arise, would be a very small item of expenditure when compared with the capital of a Company like the G I. P. Railway Company; and even if the stock asked for lay idle, the interest on the cost of it would be a mere fraction of the revenue of the Company.

If, however, the Railway Companies should, as His Excellency apprehends, demur to undertaking to provide a reserve stock of engines and wagons to meeting any famine traffic that may arise, the Committee desire me to express their gratification that His Excellency intends nevertheless urging the scheme upon the Government of India. What the Committee would recommend is a general reserve of engines and rolling stock to be availed of in any part of India that may require it, and they think that it would be found that, when famine traffic arose, the original cost of this reserve stock would soon be cleared off. The Govern-

ment of India has already recognized the necessity of imposing new taxes in order to create an Insurance Fund for the relief of famines. There can be no doubt that one of the surest and most effective methods of alleviating distress in times of famine is to facilitate the transport of food grain. It has been clearly shewn that the present engine and rolling stock on all the railways in India was insufficient to meet the pressure experienced last year; and it appears to the Committee that, in providing for the relief of future famines, money could not be spent in a more profitable or beneficial way than by increasing the carrying power of the railways.

The Committee are also glad to learn from para. 7 of the letter under acknowledgment that, during the year 1877, thirty-four crossing and signalling stations were opened, and that ten more are now in hands. The Committee are not in a position to say if more are still required, or to indicate the points or places where such requirements may exist; information on these points could, they believe, only be supplied by persons conversant with the detailed working of the traffic. But after the experience of the last 16 months, and the heavy losses sustained by merchants through the failure of the G. I. P. Railway until quite recently, to deal with its traffic, the Committee beg most earnestly to urge upon His Excellency the necessity which exists for doubling the line from Bhosawul to Jubbulpore on the main line, and from Bhosawul to Nagpore on the line through the Central Provinces. If these entire lengths cannot be at present undertaken, then they hope that His Excellency will at least press upon the Company the extreme importance of doubling the main line as far as Khundwa, the junction with the Holkar State Railway and the Nagpore branch as far as Budnaira from which portion of it the greater part of the traffic of the Nagpore Branch comes. It appears to the Committee that the development of the traffic since 1874-75 should remove all doubts as to the paying capabilities of these portions of the line with the additional expenditure upon them of the cost of doubling them; and they sincerely hope that, as these works are of the utmost importance to the trade, His Excellency will bring the whole weight of his influence to bear upon the Railway Company to have them undertaken and completed as soon as practicable.—I have, &c.,

J. GORDON, Secretary.

No. 1062 OF 1878. b

PUBLIC WORKS DEPARTMENT (Railway).

BOMBAY CASTLE, 21st May 1878.

To the SECRETARY to the CHAMBER OF COMMERCE, Bombay.

SIR,—I am directed to acknowledge the receipt of your letter, dated the 30th April last, on the subject of the present and future development of traffic on the G. I. P. Railway, and the measures which have been, and have to be, undertaken in order to meet the increased demand for transport.

2. His Excellency in Council has read with much interest the valuable observations of the Chamber on the causes which have contributed towards, and are likely to continue to promote, this development, and has directed that a copy of the letter be sent to the Agent, G. I. P. Railway Company, who has been requested to give his early attention to the question of doubling the lines of Railway beyond Bhosawul and of augmenting, if necessary, the engine and vehicle stock.

In connection with this subject, I am to mention that the Company's stock of engines is now

Passenger Engines	106	
Ghaut Engines	49	
Goods Engines	269	258 running; the rest being erected.
Total...	424	

and that they are working ten engines belonging to Government on the Dhond and Manmad State Railway. I am also to state that the Agent applied in March last for Government sanction to the construction of 30 more goods engines, and that these will be provided at once, either by Government or the Railway Company.

4. The important question of providing a reserve stock of engines and waggons to meet sudden and unexpected demands arising from famine or other causes, is engaging the attention of Government, but I am to observe that His Excellency the Governor in Council has not pledged himself to urge any particular scheme upon the Government of India.—I have, &c.,

H. F. HANCOCK, Colonel, R.E.,
Under-Secretary to Government.

APPENDIX H.

SUGGESTIONS BY THE DEPUTY CONSERVATOR AND MASTER ATTENDANT OF THE PORT FOR ENSURING A UNIFORM SYSTEM OF EXHIBITING LIGHTS ON NATIVE CRAFT, AND A BETTER ACQUAINTANCE ON THE PART OF PERSONS IN CHARGE OF SUCH VESSELS WITH THE RULES OF THE ROAD AT SEA, &c.

No 172 of 1877.

Chamber of Commerce, Bombay, *28th September* 1877.

The Secretary to Government, Marine Department, Bombay.

Sir,—The Committee of the Chamber of Commerce desire me respectfully to request that His Excellency the Governor-in-Council will be so good as to favour the Chamber with a copy of the Report which they understand was recently made by the Deputy Conservator and Master Attendant of the Port containing suggestions for ensuring a uniform system of exhibiting lights on native craft, and a better acquaintance on the part of persons in charge of such vessels of the rules of the road at sea and the description of lights carried by steam and sailing vessels.—I have, &c.,

J. GORDON, Secretary.

No. 1212 of 1877.

Marine Department.

Bombay Castle, *5th October* 1877.

From the Secretary to Government, to the Secretary Bombay Chamber of Commerce.

Sir,—I have the honour to acknowledge the receipt of your letter, dated 28th ultimo, and to forward, as therein requested, the accompanying copies of reports by the Deputy Conservator and Master Attendant of the Port, containing suggestions for ensuring a uniform system of exhibiting lights on native craft, and a better acquaintance on the part of persons in

No. 723, dated 30th June, 1877.
No. 1037, dated 29th August, 1877.

charge of such vessels of the rules of the road at sea, and the description of lights to be carried by steam and sailing vessels.—I have, &c.,

J. M. MACDONALD, Colonel,
Secretary to Government.

No. 723 of 1877.

DEPUTY CONSERVATOR AND MASTER ATTENDANT'S OFFICE,
BOMBAY, *30th June* 1877.

REPORT.

1. The owners or other person in charge of native rigged craft appear to have paid but little, if any, attention to the notifications and orders which have from time to time been issued by the Government on the subject of those vessels exhibiting lights when under weigh or at anchor in the fairway, &c., or at any rate very slight, if any, beneficial effects have resulted from the publication thereof.

Results of notification hitherto published.

Published by Placards 5 January..1860
1 „ 1867
1 May 1872
1 January..1874
24 Sept.....1875
„ Notifications in Govt. Gazette 15 July 75 p. 708
22 „ 75 p. 734
29 „ 75 p. 753
5 Aug. 75 p. 783

2. With a view to ensure the observance of these notifications, before registers are granted, the owners of all native craft are required to produce at this Office lamps of the pattern specified in the regulations, on which the registered numbers of these vessels are stamped and a lengthy notice as to lights to be carried, and the rule of the road at sea, was submitted to Government with this Office letter No. 526, dated 19th May 1877, for the purpose of being translated into various vernaculars, previous to its being printed and circulated amongst native craft.

Procedure at present to secure attention to Regulations.

3. The Notification under the Port Trust Act (copy attached) quoted in the margin above, fixes the radius at which the light is to be visible at one mile, and enacts that the penalty for the non-observance of this rule shall be any sum not exceeding Rs. 100 for each instance. I am not aware that this Bye-law has ever been enforced, or that any case has been prosecuted under it, although it is notorious, and the accidents and frequent narrow escapes which occur, prove how the Bye-law is almost, if not entirely, disregarded. I am also of opinion that the radius at which the light should be visible *when the vessel is underweigh ought to be at least two miles.*

Notification under Port Trust Act 1 of 1873. Insufficient radius of lights.

4. The duty of enforcing this rule and prosecutions thereunder would appear (as in the case of lights on vehicles on shore) to legitimately appertain to the police who, of course,

Whose duty it is to enforce Bye-law.

should receive every assistance and co-operation from the departments administering the affairs of the port.

Proper means requisite to enforce Bye-law.

5. To enable the Water Police to perform this duty efficiently, it will be necessary that they should be supplied with suitable means and facilities for rapid movements to intercept and to board native craft of all denominations which may be violating the Bye-law, and for this purpose probably a steam cutter or launch would be required for from two to four or more hours at uncertain times in the evenings or during the night; there is little doubt, that a few prosecutions resulting in exemplary fines, and the necessary attendant inconvenience of the detention of the vessel, would ensure more attention than has ever yet been paid to the subject, and probably in a short time the native crafts would exhibit the prescribed lights so long as they continued within the boundary of the the Port of Bombay.

Rules not attended to at other places than Bombay.

6. But it is not only within these limits that inattention exists to the rules that all native vessels when underweigh or at anchor in a roadstead or fairway shall show a bright light, &c., &c., the neglect prevails everywhere on the coast of Western India, in its estuaries, throughout the Arabian Sea, and along the coasts thereof. Accidents, with and without loss of human life, occur or are narrowly escaped, and now that steam traffic has so greatly increased and the whole area of Eastern Waters, and within the harbours thereof, is constantly being traversed by steamers of every size and description, the necessity for all native craft, whether owned by British or foreign subjects, to conform to a uniform system of exhibiting lights, assumes a character of urgent and vital importance, and is a measure, which it appears to me, should be imperatively insisted upon within the jurisdiction of the several British dependencies and all littoral Foreign or Native States, should be brought to co-operate to ensure the general observance of so desirable and necessary a measure, in regard to vessels owned by the subjects thereof. A similar arrangement or convention was effected between European and other States in the year 1863, and it appears to me that the time has arrived for a similar step to be taken throughout the East.

Necessity for uniform system of Light for Native Craft.

STATES.

Austria.	Mecklenburg Schwerin.
Argentine Republic.	Morocco.
Belgium.	Netherlands.
Brazil.	Norway.
Bremen.	Oldenburg.
Chili.	Peru.
Denmark Proper.	Portugal.
Equitor (Republic of the)	Prussia.
France.	Roman States.
Great Britain.	Russia.
Greece.	Schleswig.
Hamburg.	Spain.
Hanover.	Sweden.
Hawaiian Isdo.	Turkey.
Hayte.	United States Seagoing Ships
Italy.	United States Inland Waters.
Lubeck.	Uruguay.

7. The finding of the Court of Enquiry forwarded to me for report with reference to paras: 13 and 14 thereof, does refer to the ignorance on the part of those in charge of native craft with regard to the rules of the road at sea, and of the description of lights carried by steam and sailing vessels; but I am of opinion that the casualties which occur are attributable in many instances as much to the ignorance of native tindals and others on these points as to the non-exhibition of lights.

Ignorance of Tindals regarding Lights and the Rule of the Road.

8. The Tindal and Kullasie of the unfortunate Muchwa "Towkully" who were examined by the Court, appear from the record of their evidence, to have been utterly ignorant on this point. The evidence of the former runs:—"I could see her "green and *yellow* lights. I saw two lights on the other "ship. The green light was on the middle of a mast; one light "was on the forestay suspended to a rope; that light was *yellow*. "The green light was suspended to a rope on the middle mast; "it looked as if it was in the middle. I cannot say whether it "was on the right or the left. The red light was on the right "hand side of the forepart of the ship. I know that when a ship "makes toward another ship they show a red light. I have "never heard of any rules. When the ship is sailing from the "wind the red light is seen on the left, and when the ship is sail-"ing towards the wind the red light is seen on the right. I "know nothing about green lights. We don't know how to read "and write, and we know better about these matters (*i. e.*, vessels "giving way to each other at sea) when we are at sea."

Ignorance of Tindal of "Towkully."

The Kullasie in his evidence says "she had lights. The lights "were green and *white*."

9. From this evidence it is perfectly clear that neither the Tindal nor the Kullasie had even the very least knowledge of the nature of the lights carried, nor of the rules which exist for defining the action to be taken by vessels in certain relative positions and under various circumstances; and such being the case it is very unlikely (considering that the accident occurred on a bright moonlight night, and the witnesses of the "East Lothian" and "Towkully" both testify to seeing the other vessels at a distance of "at least two miles" double the distance at which by regulation the light is required to be visible, and at a "long distance off" respectively) that if the "Towkully" had exhibited the Regulation Light, it would have secured her safety.

Accident to "Towkully" not due to absence of lights.

10. The utter ignorance of the ruler of the road and of the lights to be exhibited by other vessels, may possibly be found in a less degree amongst some of the tindals of the larger class of native craft, but it may be regarded as general amongst these men.

Ignorance of the Tindals on Lights and Rules of the Road.

11. The conclusion deducible from a consideration of the above circumstances is, that even if any practicable measures prove successful to induce native craft when underweigh to carry the Regulation Light, only half the object will be attained; for, though it would discover to the approaching steamer or ship the position of a native craft, and enable either of the former to act on the rule of the road at sea, the entire object of the latter might be frustrated by the ignorance of those on board the native craft leading them to act exactly contrary to those rules, and the result be the same, as if the light had not been exhibited.

Carrying Lights only will not prevent accidents.

12. It would therefore appear to be very desirable that tindals or others, of whatever denomination who may be entrusted with the charge, or the conducting, of any native rigged vessel, should possess a full knowledge of the lights required to be exhibited by all descriptions of vessels and steamers, and also of the rule of the road at sea or (in other words) the course to be pursued when certain lights are seen on board other vessels.

Tindals should be required to hold certificates.

13. To effect this it would be necessary for each Tindal to pass an examination on the subject, and to be furnished with a certificate to the effect that he is acquainted with these matters; this certificate, as also the regulation lamp, and a sufficient supply of oil and wick for the intended voyage should be produced on every occasion of his applying for a port clearance or pass for the vessel to sail; and no port clearance, or pass should be granted without this certificate, and the abovementioned articles being produced to the Officer of Customs or other person on whom the duty of issuing these documents devolves.

Tindals to pass examinations.

Certificate, lamp, oil, and wick to be produced when applying for Port Clearance.

14. The certificate might be granted after a satisfactory examination by the Master Attendants at the ports of Bombay, Kurrachee, Aden, and Carwar in this Presidency, and no native craft, the Tindal or other person in charge of which does not possess such certificate, should be permitted to leave or to navigate within either of those ports after a certain date, say the 1st January next.

Certificates how and by whom to be granted.

15. It would be desirable to make this qualification as little harassing and annoying as possible to the tindals or others in charge, as well as to the owners of native craft, and consequently the examination fee should be fixed as low as possible, probably (1) Rupee one—this charge to cover the cost of a small pamphlet with which each Tindal who passes the examination should be presented, which should contain besides a concise statement of the description of lights required by regulation to be exhibited by the several classes of vessels and steamers. A few of the most useful rules of the road at sea in the vernacular of the individual and be illustrated by coloured diagrams, so that even those who

Rate of fees for Examination, &c., &c.

could not read, having once become acquainted so as to pass an examination on these points, would be able to refresh their memory, and in the moment of doubt solve their possible difficulty by reference to the diagrams. The pamphlet might be about foolscap octavo size ($6\frac{1}{2}'' \times 4''$), and might contain in all about 10 to 20 pages.

Facilities for qualifying for certificates.

16. Probably (as the case is in England) teachers of navigation in India would soon include this branch of a seamen's duty in the curriculum for their pupils, but if they do not do so, any person fit to be entrusted with the charge of a vessel or boat, should be able to acquire the necessary knowledge to enable him to pass the examination to obtain a certificate in three days; and I am of opinion that the system I now beg most respectfully to submit for the consideration of Government would tend to lessen the number of accidents and casualties which now occur between steamers or sailing vessels and native craft.

HENRY MORLAND,
Acting Deputy Conservator and Master Attendant.

No. 1,037 OF 1877.

DEPUTY CONSERVATOR AND MASTER ATTENDANT'S OFFICE.

BOMBAY, 29*th August* 1877.

REPORT.

Mr. Cleveland appears to concur in the statements as to the general ignorance in which the tindals of native craft traversing the ports and waters of the Indian Ocean at present exist with regard to the use of lights and the rules of the road at sea established for the general safety of shipping by mutual agreement of the principal Maritime Nations of the world, and as to the desirability of the measures suggested in my No. 723, of the 30th June last, to be adopted to ensure a more general knowledge on this subject amongst them. I will, therefore, in the first place notice only such points of Mr. Cleveland's minute as appear to require comment.

In the first place with regard to his third paragraph and quotations from Act 12, Section 7 of 1875 (the Indian Ports Act), it will be seen by reference to the accompaniment to my report above quoted, that similar powers were vested in the Trustees of the Port subject to the approval of Government under Act No. 1 of 1873, Sections 83 and 86, and that the said power has been duly exercised by notification in the *Government Gazette* and by publication (a second copy of the notice is attached to facilitate reference), the non-observance of which, however, and measures for enforcing the same, were noticed in the 1st, 3rd, 4th, and 5th paras of my report.

While concurring in much that is stated in Mr. Cleveland's letter, I cannot entirely accept all his views expressed in para. 4, especially as to the rules containing "*all the information necessary for "avoiding collisions at sea.*" My own impression is, that unless those

entrusted with the navigation of vessels possess steady nerve, quick appreciation of circumstances, and ready address, no rules, which can be established, will ever entirely prevent collisions at sea, notwithstanding all the interest taken in teaching these rules, and in disseminating them amongst seamen, since they were first introduced (nearly a quarter of a century ago), accidents still occur even amongst European shipping, and will continue to do so, despite any rules that can be framed.

The pamphlet by Mr. Gray, one of the Assistant Secretaries to the Board of Trade referred to by Mr. Cleveland, is an invaluable treatise on the subject; it was originally published nearly as far back as my nautical experience extends to. The latest edition I have seen is that of the year 1867, and it contains the readily remembered verses quoted by Mr. Cleveland with which the most experienced commander and youngest apprentice are alike conversant (the verse which, it will be observed, closely approaches that class which acquired in childhood cling to memory throughout life and are known as nursery rhymes), are in Mr. Gray's pamphlet rendered in nearly all the European languages, viz:—in English, French, Swedish, Danish, German, and Italian. I am happy to be able to state that I have had constant opportunities of seeing these productions, and the English version has been holding a prominent place in my memory for many years past. I would, however, observe that this poetic rendering of the rules has reference to *steamers*; it is only the last few lines which have even a reference to *sailing vessels*; the particular class, I may observe, to promote the safety of which it is now proposed to introduce rules. I would therefore hesitate to recommend the promulgation in any form of rules which would not apply to the class of vessels navigated by the men whose enlightenment and instruction I am now advocating.

My experience leads me to conclude that concurrent trifles often aid memory, especially in critical moments; and where the choice lies between two courses, I have hitherto found a simple accidental similarity (with, of course, a knowledge of the rules of the road) to sufficiently enable me to keep the vessels I have commanded, or held the post of officer on board of, free from accident as—for instance, Port Wine is red, so also the Port Light is red. Similar familiar coincidences might be remembered to fix the native mind on the lights carried on either sides of vessels, but the scanty knowledge I possess of the idioms of the several native languages, preclude my saying definitely that such can be done.

With regard to Mr. Cleveland's misgiving as to the beneficial effect which would result from the enforcement of rules as to lights to be carried by native craft at sea, I have to observe that a similar difficulty was no doubt experienced with regard to European ships when the rules were first established, nor is the evil of non-exhibition of lights perfectly overcome in European vessels, even at the present day; but a most beneficial effect has resulted from the establishment of these rules, their observance is becoming gradually more universal, the accidents and disasters resulting from neglect of them are lessening in number, and their operation, both in a commercial and humane point of view, are universally evident; this progressive improvement

must always be the case in reforming abuses and neglects by enlightened and considerate legislation. We may therefore conclude that, by consistent and gentle coercion, those in charge of the native craft traversing our Eastern waters will gradually become acquainted with the nature of the lights to be carried by the several description of vessels under all circumstances; and similar beneficial results to commerce, and in the cause of humanity, will ensue from the introduction of similar rules amongst them as have been effected by the establishment of the rules and lights amongst the European maritime nations.

The rules as regards English shipping are enacted by Her Majesty's order in Council provided for under Section 25 of the British Merchant Shipping Act of 1862, and subsequent order in Council thereunder. I cannot, however, discover any similar provision in the Indian Merchant Shipping Act of 1859, but possibly power is provided under some Indian Act, and I would beg most respectfully, but at the same time strongly, to recommend that, if such is the case, it be availed of to enact that native craft of a larger class than that of canoes (tonies), when at anchor in, or navigating any of the ports, roadsteads, bays, or navigable waters under the jurisdiction of, or adjacent, to the territorial waters of the dependencies of the Imperial Possessions in the East Indies, shall, for the safer navigation therein, exhibit between sunset and sunrise certain lights, and that the persons in charge of the navigation thereof shall hold certificates granted by duly constituted authority, of their possessing a fair knowledge of the rules as to the lights to be carried and the rules to be observed to avoid collisions by vessels navigating in the said waters.

I would also suggest that open or undecked native craft should be bound to exhibit when underweigh a bright light in a globular lantern of not less than 8 inches in diameter suspended from a crank or other suitable contrivance attached to the masthead or other prominent position from which it shall be visible all round the horizon on a dark but clear night to a distance of at least two miles, and that when such native craft may be riding at anchor the light shall be fixed in a similar position and visible to a distance of at least one mile.

With regard to seagoing decked native craft the same rules should be introduced that exist with regard to the lights exhibited, and the rules of the road by European shipping, and that a similar certificate as to knowledge of the rules of the road be required in regard to those in charge of these vessels as in the case of undecked boats.

I have only to add with regard to the mode of qualifying for certificates suggested in my No. 723, of the 30th June last, in order to render the rules as little irksome as possible, Government Customs or other qualified officers might be authorized and empowered to examine natives in any other ports than those named in accordance with the system in Mr. Gray's pamphlet, and to grant certificate on this subject; Government might also retain the power in its hands to cancel certificates in case of future incompetence or neglect being proved.

I would respectfully urge that after a certain date all native craft above the class of canoes (tonies), whether British owned or

belonging to states in friendly relation with the Governments, should not be allowed to leave ports in British India unless the Tindal, Syrang, Nacodah, or other person entrusted with the responsibility of the safe navigation thereof are possessed of the required certificates, and unless the prescribed lights, with the proper quantity of material for exhibiting the same throughout the voyage, be produced at the Custom House.

I shall be happy to superintend the compilation and production of a pamphlet, as previously advocated, containing suitable rules and diagrams if Government think fit to authorize my doing so, and permit me the assistance of its printing and the co-operation of its translating establishment; in the meantime, a couple of hundred copies of the most recent edition of Mr. Gray's pamphlet might be procured from England for the use of the several examining officers and for general convenience.

HENRY MORLAND,
Actg. Dy. Conservator & Master Attendant of the Port.

To the Secretary to Government, Marine Department.

APPENDIX I.

CONTROL EXERCISED BY GOVERNMENT OVER THE EASTERN TELEGRAPH COMPANY, LIMITED.

No. 77 E of 1878.

PUBLIC WORKS DEPARTMENT.

BOMBAY CASTLE, *7th February*, 1878.

To the SECRETARY, CHAMBER OF COMMERCE, Bombay.

SIR,—With reference to your letter, dated 26th October 1877, a copy of which was forwarded to the Government of India, with the request that an enquiry might be instituted into the working of the Telegraph officials in regard to the several points referred to by the Chamber, I am directed to forward, for the information of the Chamber of Commerce, a copy of the reply of the Government of India No. 41 T., dated 25th January, with accompanying report, No. 562 T., dated 11th January, by the Director-General of Telegraphs in India.—I have, &c.,

W. A. BAKER, Lt.-Col., R.E.
Under-Secy. to Government.

No. 41 T.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

CIVIL WORKS, TELEGRAPH.

FORT WILLIAM, *25th January*, 1878.

To the SECRETARY to the GOVERNMENT of BOMBAY.

SIR,—In acknowledging the receipt of your No. 8 T 1493, of 8th November 1877, forwarding a letter from the Bombay Chamber of Commerce, making certain specific complaints against the Telegraph Department, I am directed to transmit herewith copy of Officiating Director-General of Telegraphs' letter, No. 562 T, of 12th instant, reporting on the complaints in question, and to request that Colonel Murray's letter may be communicated to the Chamber.

2. I am also to observe that the Government of India is not without hope that, at the approaching international Telegraph Conference to be held in London, the Delegates of the various Governments may accept the application to extra European

correspondence of the letter or symbol tariff unit, the adoption of which would eliminate errors to which the present system is subject, and which give rise to many of these complaints.—I have, &c.,

G. T. SKIPWITH, Captain, R.E.
Asst. Secy. to the Govt. of India.

No. 562 T.

CALCUTTA, 11*th January*, 1878.

From the DIRECTOR GENERAL of TELEGRAPHS in INDIA, to the SECRETARY to the GOVERNMENT of INDIA, Public Works Department.

In compliance with your No. 449 T., of the 12th December, I have the honour to report upon the Bombay Chamber of Commerce's letter of the 26th October, forwarded to the Government of India under Bombay Government No. S. T—1493, dated 8th November 1877.

2 The Chamber's present letter is in continuation of their previous communication of the 2nd July last (in which they urged that the question of allowing the Eastern Telegraph Company, Limited, to have a separate office for the receipt and delivery of telegrams independent of the Government Telegraph Establishment), and professes to comply with the request of the Government of India, that the Chamber would "submit specific complaints of irregular procedure "on the part of the Telegraph Department Officers" in view to their investigation.

P. W. Department, No. 324 T., dated 12th September 1877.

3. The first specific complaint which the Chamber make is that contained in their Secretary's 3rd para., *viz.*, that 2666 in a certain message was changed in transmission to 3666, for which the firm could get no redress. Although no date or particulars are given, I have succeeded in tracing the message. This Department was in no way chargeable with the error, which appears to have occurred on the lines of the Eastern Telegraph Company. As the extra charge for repetition had not been paid, the claim to refund was inadmissible under Reg. LXVII. of the St. Petersburgh Convention, and no refund being claimable, the further investigation of the matter was barred by Reg. 6 A. All this was explained to the firm by the Check Office.

4. Para. 4 of the Chamber's letter mentions two instances in which messages are stated to have been returned without sufficient cause when tendered for transmission. But the Department is answerable to other administrations that fictitious words are not accepted, and if senders will include in their codes the most uncommon and least used terms, they cannot complain at Telegraph Administrations taking all reasonable precautions to protect themselves from breach of the international rules. I do not gather that the Chamber charges this Department with delay in returning messages which are objected to, but commercial senders are in the habit of sending off telegrams at the moment of closing business for the day, and in such case if anything prevented the acceptance of the

message, its detention at the sender's office till next morning, in default of special instructions having been given by him to his messenger, would be inevitable. As regards the words Aa, I am unable to find it in Webster's Unabridged Edition, or in any other Standard Dictionary of the English language. It is, however, I find, given in Keith Johnstone's Dictionary of Geography. The Chamber on this point may perhaps have some cause of complaint with the existing rules regarding language admissible in international telegrams, and it has frequently been pointed out that the only way to put an end to such annoyances is to adopt the "letter" tariff. That this Department has, however, been obstructive, or needlessly stringent in its interpretation of the regulations imposed on it by the Convention, the Chamber has entirely failed to prove, and I deny that it is the case.

5. In the same para. the Chamber state that—"Again, on the "21st March, a firm sent a message to Paris advising the exten- "sion of certain Cotton Orders, but the message miscarried, and "as the market fell, the firm was threatened with heavy loss." "Up to the present time the firm has got no satisfaction in spite "of numerous enquiries at the Check Office."

From this it would be inferred that this Department was chargeable with ignoring a complaint from tha 21st March to the date of the Chamber's letter (26th October), the real facts being that the firm's original complaint was dated 10th of May, and was not completed by the usual certificate of *non*-delivery till the 10th of July. It was then transferred to the Eastern Telegraph Company at Bombay for enquiry, and on the 10th of November that Company wrote to the Check Office explaining that the miscarriage was owing to an error in transmission on the French lines, and that the claim to refund was admitted. An order for the amount was accordingly posted to the sender on the 21st idem. It was thus nearly four months before the sender's complaint was received in a complete form, and 3½ months was occupied in the investigation by the Eastern Telegraph Company and the French Telegraph Administration. There was no avoidable delay whatever in the Check Office.

6. The statement in the Chamber's 5th para. "now it is well "known that every message which is not marksd *via Suez* is sent "by the Government Line," is entirely without foundation. The instructions issued to the Department on this point are distinct, and I have never known an instance in which it could be shown that they were disregarded. They are as follows :—

When the sender himself prescribes the route his message is to take, his instructions should be strictly acted upon, unless the route indicated happens to be interrupted,

When the sender himself brings the message to the office, and verbally expresses a wish to have it sent by a particular route, he should be asked to enter the indication of route himself in the place provided for the purpose. If the sender is unable to write, the indication may be written by the receiving clerk.

When the sender affixes stamps to his message of an amount exactly to cover its cost by a particular route, it is to be

considered an indication of his wish to have his message sent by that route.

When there are two or more routes equally expensive, and a third less expensive route open, and the sender affixes stamps sufficient to frank his message by either of the former, it is considered a sufficient indication of his wish to have his message sent "by *best* route."

If the route indicated on a message when first tendered is known to be interrupted, intimation of the fact should be given to the sender, with such information as may be available regarding the state of communication on the other lines.

If the sender should express a desire to have his message sent by the *best working route*, the Bombay, Calcutta, Madras or Kurrachee office will direct it by whichever line may at the time be showing the most favourable time intervals. No other office is in a position to exercise this selection, and it is on no account to be attempted. Moreover, at stations other than those named above, senders should not in any way be influenced in the choice of a route. They should be told that they can specify which route they prefer, or can mark their messages by "cheapest route" or by "best route."

In the absence of instructions from the sender the charge is calculated according to the least expensive route from the starting point of the message to its destination.

It will be seen that the sender's interests are in every way protected if he prescribes the route he wishes his telegram to follow. If he does not do so, the department is bound to act upon Reg. XVIII, para 1 of the Convention, viz :—

"The charge is calculated according to the least expensive route between the starting point of the telegram and its destination, unless the sender selects another route in conformity with article XXXVI."

The charge brought against this department by the Bombay Chamber of Commerce, on this point is a most serious one, and I submit it should either be withdrawn, or specific instances quoted in support of it.

No. 42 of 1878.

CHAMBER OF COMMERCE, BOMBAY, *6th February* 1878.

To the SECRETARY to GOVERNMENT, Public Works Department, Bombay.

SIR,—In my letter to your address of the 26th October last, certain instances were submitted of the annoyances to which the public are subjected by the procedure of the Government Telegraph Department, and which, the Chamber believes, would be effectually removed if its suggestion were adopted that the Eastern Telegraph Company

should be permitted to have a separate counter at which it might receive messages direct from the public, without the intervention of the Government Department.

I am now directed further respectfully to submit that much public inconvenience is occasioned by the refusal of the Government Telegraph Department to receive, unless at extra charge, messages in words which are composed of what may be considered fair words, but which are not found in a dictionary. In a recent case, these words were used to express figures, and in consequence of the refusal of Government to receive them, an older and more complicated code has had to be resorted to, which must give much more trouble to the Telegraph clerks. The following are a few instances shewing the words which the Government Telegraph Department reject, and those which, taken from an older code, the firm in question is in consequence obliged to use,—

Meaning of word.	Word disallowed.	Word allowed.
25000	Earlbank	Opprimer
97808	Wormbrook	Rembuchiez
88213	Teigncamp	Clapirait

The Chamber presumes that these words are disallowed under rule 4 of the Rules for Foreign Messages, Part IV. (General), of the Rules of the St. Petersburg Convention; but the same words are received and passed by all the Telegraph Offices in England, without any difficulty. If the public in India are not to be permitted to benefit by the advantages which result from the competition in telegraphy which are enjoyed in England, the Chamber respectfully urges that the Government of India should exercise its control over the Eastern Telegraph in a liberal manner. The Eastern Telegraph Company has, the Chamber understands, its own line from England to Bombay, and would be quite independent of international convention rules but for the fact that its messages pass through the Government Office in Bombay. In consequence of this arrangement, it loses its independence, and its working becomes subject to the control of Government, and to a system quite unsuited to the times; and the public are thereby deprived of the advantages which they would otherwise obtain, and which are possessed by the public at home.

In the letter of the Government of India, dated Simla, 12th September last, one of the reasons assigned for their

inability to comply with the request of the Chamber was that the Government of Bombay had expressed no opinion upon it. I am desired once more to express the Chamber's belief that, if its suggestion were adopted, the numerous complaints now made of the administration of the Telegraph Department would, to a great extent, be removed, and its earnest hope that His Excellency the Governor in Council will be pleased to take it into his favourable consideration, and recommend its adoption to the Government of India.—I have, &c.,

J. GORDON, Secretary.

No. 88 B. of 1878.

CHAMBER OF COMMERCE, BOMBAY, 13*th March* 1878.

The SECRETARY to GOVERNMENT, Public Works Department, Bombay.

SIR,—I have the honour to acknowledge the receipt of your letter No. 776 of the 7th ultimo, enclosing a copy of the reply of the Government of India No. 41 T., dated 25th January, and of the Report No. 562 T., dated 11th January, by the Director General of Telegraphs in India on the specific instances submitted by the Chamber in its letter of the 26th October last.

With regard to the Director-General's explanation, it is only necessary to advert to his remarks in para. 6, in which he says that the statement made by the Chamber that every message which is not marked "via Suez" is sent by the Government line is entirely without foundation, and quotes the rules of his department to shew that it must be so. But these rules are no proof unless it is shown that they are always adhered to. It has been brought to the notice of the Chamber by a mercantile firm that they have many times had to complain of their messages being sent by the long route when intended for the Suez route, and they have given the following instances:—Their messages Nos. 1185 and 1186 of 11th June 1877, and No. 1190 of 12th June 1877, were sent with payment sufficient for the Suez route, yet they were sent via Teheran, or by some longer route On complaining to the Telegraph Office, the clerk informed them that his instructions were to send all messages not marked "via Suez" by the Government line. But the Chamber need only remind the Director-General of the fact that a Departmental

order was issued on the 23rd May 1877, containing instructions that all messages not marked via Suez should be sent by the Government line, and that the following advertisement was published by the Eastern Telegraph Company, in the daily newspapers in Bombay, regularly from 26th May to 27th November 1877 :—"The public in England daily complain of messages from India arriving "via Turkey seriously mutilated and delayed. To insure "transmission by the Eastern Telegraph Company's direct "duplicate cables it is necessary for the sender to write the "words "via Suez" on the forms presented at the Government Offices, as messages not as marked appear to be "sent via Turkey by order."

The specific instances, however, furnished by the Chamber were only intended as examples of the annoyances and inconveniences which most merchants have frequently suffered from, and were given at the desire of the Government of India, expressed in para. 2 of their letter No. 324 T., dated 12th September 1877, to shew in what way the existing procedure of the Telegraph Department is unsatisfactory to the public. Throughout the papers, however, under acknowledgment the main point raised by the Chamber that it would conduce very greatly to the public advantage if the Eastern Telegraph Company were permitted to have an office and establishment for the receipt and delivery of messages distinct from and independent of the Government establishment has been entirely overlooked. Government seemed disposed in February 1871 to grant this reasonable concession, and the Chamber cannot think of any good reason for its now being withheld. It hopes, however, that the instances already furnished—and others could, if necessary, be given—will induce the Government of India to favour the public with an early compliance with the Chamber's request.—I have, &c.,

J. GORDON, Secretary.

No. 93 B. of 1878.

PUBLIC WORKS DEPARTMENT.

BOMBAY CASTLE, 30*th March* 1878.

To the SECRETARY to the CHAMBER of COMMERCE.

SIR,—I am directed to acknowledge the receipt of your letters, dated 6th February and 13th March, and to state,

for the information of the Chamber of Commerce, that copies thereof have been forwarded to the Government of India for consideration.

2. I am, however, to point out that the question of the Eastern Telegraph Company having a separate office has not been overlooked, it having been negatived in para. 1 of letter No. 324 T., dated 12th September 1877, from the Secretary to the Government of India, a copy of which was forwarded to you with my No. 181 B., dated 25th September 1877.

3. I am to add that the attention of the Government of India has again been drawn to this point, and that His Excellency in Council has recommended that the wishes of the Chamber should be complied with, if the Government of India see no objection to the arrangement.—I have, &c.,

W. A. BAKER, Lt.-Colonel, R.E.
Under-Secretary to Government.

No. 179 B. OF 1878.

PUBLIC WORKS DEPARTMENT.

BOMBAY CASTLE, 15*th June* 1878.

To the SECRETARY to the CHAMBER of COMMERCE, Bombay.

SIR,—With reference to your letters, dated 6th February and 13th March, copies of which were forwarded to the Government of India, I am directed to transmit for the information of the Chamber, a copy of the reply of that Government No. 208 T., dated 31st May 1878, in which the Governor-General in Council again declines to comply with the request of the Chamber that the Eastern Telegraph Company should be permitted to have a separate Office or Counter, as the Government of India would not then be in a position to fulfil the Treaty obligations imposed on it by the Telegraph Convention.—I have, &c.,

W. A. BAKER, Lt.-Colonel, R. E.
Under-Secretary to Government.

No. 208 T.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

CIVIL WORKS, TELEGRAPH.

SIMLA, 31*st May* 1878.

To the SECRETARY to the GOVERNMENT of BOMBAY, Public Works Department.

SIR,—I am desired to acknowledge the receipt of your letter No. 3 T-448, of the 27th March last, forwarding for consideration two letters from the Bombay Chamber of Commerce, and recommending that the wish of the Chamber that the Eastern Telegraph Company might have a separate Office or Counter, might be complied with.

2. In reply, I am to say, that the Governor-General in Council regrets that he is unable to comply with the request of the Chamber, and His Excellency the Governor's recommendation. Were the Eastern Telegraph Company allowed to have a separate Office or Counter of its own, and permitted to deal direct with the public, the Government of India would not be in a position to fulfil the Treaty obligations imposed on it by the Telegraph Convention.

3. With regard to the specific complaint made in the Chamber's letter of the 6th February 1878, that the words

Earlbank
Wormbrook
Teigncamp.

were not accepted by the Telegraph Department, I am directed to say that it appears that the words in question form part of a Code consisting of word combinations not in ordinary use. The use of such a Code is distinctly forbidden by para. 6 of Regulation XXI. of the St. Petersburgh Telegraph Convention, and the words were therefore rightly refused by the Telegraph Department as being contrary to rule.

4. Referring to the complaint made in the Chamber's letter of 13th March 1878, that messages No. 1185 and 1186 of 11th June 1877, and No. 1190 of 12th June 1877, were sent with payment sufficient for the Suez route, yet they were sent by the Teheran or some longer route, I am directed to say that the names of the senders not having been given, and the numbers quoted not being traceable,

the messages cannot be identified. But this want of identification is not of much consequence, because, as the Suez and Teheran tariffs are precisely the same, it could not, in the absence of instructions from the sender, be known that he desired they should go by the Suez route, and it was therefore his own fault that they were not transmitted by the desired route.

Unmarked messages are dealt with by recognized rules, and the messages in question must have been sent by the Teheran route, because it was at the time working better than the Suez line —I have, &c.,

W. A. CROMMELIN, Major-Genl., R. E.
Secretary to the Govt. of India.

(True Copy.)

C. LEVETT YEATS,
Assistant Secretary to Government.

APPENDIX J.

LIGHTHOUSE ON CAPE GUARDAFUI.

TRINITY HOUSE, LONDON, C. E., *29th January* 1878.

To J. GORDON, Esq., Secretary, Chamber of Commerce, Bombay.

SIR,—I am directed to acknowledge the receipt of your letter, dated 21st August last, submitting, by direction of the Bombay Chamber of Commerce, the great necessity for a light on or in the neighbourhood of Cape Guardafui, and requesting that this Corporation will urge in the proper quarter its immediate erection ; and in reply thereto, I am to acquaint you for the information of the Chamber that, in forwarding your letter to this Corporation, the Secretary of State for India was good enough to have it accompanied by papers from the Aden Residency on the same subject, especially suggesting the ad interim use of automatic signal buoys ; and, further, that this Board has had before it a proposal to place a light vessel at the station until the Light House could be erected.

Before giving consideration to these various suggestions, it seemed to the Elder Brethren very desirable to obtain the opinion of practical navigators to whom, from frequently passing it, the locality was familiar ; and, by the courtesy of the directors and officers of the Peninsular and Oriental Steam Navigation Company, the Shipmasters' Society, and other public bodies, they have received very valuable information.

They gather from these various reports, and from the wreck returns, that during the S. W. Monsoon there is a great deal of thick weather, and confused current al ng the African seaboard, and that considerable risk is run in borrowing on to it at such times until the exact position is determined. It seems, therefore, to the Elder Brethren that, in a locality tempestuous during a considerable portion of the year, and four hundred miles from a relieving station in case of casualty either to the moorings of the ship or the lighting ap; aratus, the light vessel form of seamark, which has at best only a low power and limited range, would

be attended by too much uncertainty, and that the best arrangement would be an efficient light on Guardafui.

The Elder Brethren are not in a position to judge how soon or how securely it is probable that such a light could be placed, but it appears that the Board of Trade are taking considerable trouble to promote its establishment, and it does not seem to the Elder Brethren that the cost of it need involve any very large addition to the Tolls for the Red Sea Lights.

As respects the temporary resort to three automatic buoys, I am to explain that, although this form of sea mark has been before the Corporation, and encouraging accounts of its usefulness elsewhere have been received, their own experience yet awaits confirmation after the repair of the buoys supplied to them, and they are certainly not prepared to advise its use on a coast so far from facilities of frequent official inspections or from opportunities of correcting any misadventure as to moorings or apparatus.

The question of the best height above the water is one on which the Elder Brethren regret to be at present unable to offer any useful advice. In this country it has often been found that a low level for a shore light is desirable, and that the surface of the sea and the atmosphere up to about one hundred feet above it, is comparatively clear when the high land of the shore is enveloped in mist. When, however, the obscuration arises from the action of the wind and weather on sea evaporations, it is quite possible that a higher level on the shore would enable the light to be seen above the haze. This is a matter which should be determined after a season of careful observations by competent persons, and is all the more important because the existence of such a light would probably determine much of the Southern India and China trade through the one and a half degree channel, and by way of Guardafui rather than round Socotra, but without any advantage as to time, and with some increase of risk unless the visibility of the light could be relied on.

The substance of this letter will be communicated to the India Office and to the Board of Trade with an offer of any further assistance either theoretical or practical that may be desired, and if the Bombay Chamber have any further wishes in regard to it, the Elder Brethren will be happy to give them their best consideration.—I am, &c.,

ROBIN ALLEN.

No. 343 OF 1878.

REVENUE DEPARTMENT,
BOMBAY CASTLE, 22*nd January* 1878.

To the SECRETARY to the BOMBAY CHAMBER of COMMERCE.

SIR,—I am directed to forward, for the information of the Bombay Chamber of Commerce, the accompanying copy of this Government Resolution No. 342, dated this day, embodying a despatch from Her Majesty's Secretary of State for India and enclosures in regard to the erection of a Light-house on Cape Guardafui.—I have, &c.,

D. MACKENZIE,
Under-Secretary to Government.

No. 342.

EXTRACT from the Proceedings of the Government of Bombay in the Revenue Department, dated 22nd January 1878.

READ the following papers :—

Memorandum from the Government of India, Department of Revenue, Agriculture, and Commerce, No. 13, *Commerce and Trade*, dated 7th January 1878.

Copy (of the following despatch) with copy of enclosures, forwarded to the Government of Bombay, with reference to its letters Nos. 5293 and 5545 (Revenue Department), dated respectively the 29th August and 12th September 1877.

Despatch from Her Majesty's Secretary of State for India to His Excellency the Right Honourable the Governor-General of India in Council, No. 177, *Statistics and Commerce*, dated 6th December 1877.

In reply to your letter, dated the 18th ultimo, No. 51 (Commerce and Trade), I have to inform you that the proposal of the Resident at Aden as to the employment of the "automatic signal buoy" on the East African coast, has been referred for the opinion of the Board of Trade, and that the result of this reference will be communicated to you in due course.

2. In the meantime I forward, for your information, a copy of a letter from the Foreign Office, dated the 2nd ultimo, and of the reply thereto, on the question of the erection of a Light-house on Cape Guardafui. The observations of Admiral Bedford on the proper site for a light might be communicated to the Government of Bombay and to the Resident at Aden.

3. The letter of the Bombay Chamber of Commerce, referred to in your 2nd paragraph, has been forwarded to the Trinity House.

Letter from the Under-Secretary of State, Foreign Office, to the Under Secretary of State, India Office, dated 2nd Nov. 1877.

With reference to the letter from this office of the 18th of Sep-

tember last, I am directed by the Earl of Derby to transmit to you herewith copies of a letter and of its enclosure from the Board of Trade relative to the question of the erection of a light on the Somali coast, and I am to request that in laying this communication before the Marquis of Salisbury you will move His Lordship to inform Lord Derby whether he concurs in the course suggested by the Board of Trade in regard to this matter.

Letter to the Under-Secretary of State, Foreign Office, from the Board of Trade, dated 25th October 1877.

I am directed by the Board of Trade to acknowledge the receipt of your letter of the 18th ultimo, transmitting some correspondence with the French Ambassador at this Court relative to the question of the lighting of the Red Sea coast. In reply I am to request that you will state to the Earl of Derby that it appears to this Board that so far as the question of the erection of a light on the coast of Somali is concerned, all material obstacles have been removed by the recent conversation between Her Britannic Majesty's Agent and Consul General in Egypt and the Khedive, as narrated in the enclosure to your letter of the 13th of August last, and that all that is now required is an undertaking from all the European Powers interested in the navigation of the Red Sea that they will agree to the payment of the necessary tolls to cover the expense. The question which is apparently more especially under consideration at the present time, is not the lighting of the Red Sea, but that of Cape Guardafui, where so many wrecks have recently taken place, and in this question the French Government would seem to have no especial interest beyond that of other European nations, except as concerns the relative proportions which the commerce of each nation will have to pay. The first step would therefore appear to be to ascertain whether the various European Governments affected are willing to guarantee the payment of tolls, and afterwards to endeavour to induce the Khedive to take steps for the erection of a Light-house, and for the necessary defence against the apprehended attacks of the Somali wreckers. With regard to the most suitable position for the Light-house, a memorandum by Vice Admiral Bedford, one of the professional officers of this Board, is enclosed. I am to add that the Board of Trade would be most happy to recommend a suitable engineer, should the Khedive desire it, or to render any other assistance in their power.

Memorandum by Vice Admiral Bedford.

There appears to be some misconception about Cape Guardafui or Ras Hafoun, as if a light at one or the other would satisfy the want. Ras Hafoun is 90 miles to the southward of Cape Guardafui, and ships which have made the former headland have gone ashore near Guardafui, generally because they have mistaken Ras Shenarif, *alias* Jered Hafoun, which is 10 miles to the southward of Cape Guardafui, for that Cape.

It is evident that there can be no question where the light is wanted in the first instance, viz., the turning point, Cape Guardafui, or if Ras Hafoun has been confounded with Jered Hafoun, *alias* Ras Shenarif, still the latter is not the site for the light.

Whether a light should eventually be put on Ras Hafoun may be left for the future.

Letter from the Under-Secretary of State, India Office, to the Under-Secretary of State, Foreign Office, dated 12th November 1877.

I am directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 2nd instant, relative to the lighting of Cape Guardafui, and to state in reply that Lord Salisbury concurs in the suggestions of the Board of Trade as to the course to be pursued in this matter. I am to add that His Lordship assumes that the Earl of Derby will at the proper time take measures for bringing to the notice of the Egyptian Government the offer made by the Board of Trade to recommend a suitable engineer, and the remarks of Vice Admiral Bedford relative to the site of proposed Light-house.

RESOLUTION.—Copies of the Papers may be communicated for the information of the Political and Marine Departments of the Secretariat, the Resident at Aden and the Chamber of Commerce, Bombay.

Ordered that copies of the above be forwarded to—
The POLITICAL DEPARTMENT of the SECRETARIAT,
The MARINE DEPARTMENT of the SECRETARIAT,
The RESIDENT at ADEN,
The CHAMBER of COMMERCE, BOMBAY (by letter).

E. W. RAVENSCROFT,
Chief Secy. to Govt.

No. 1262 OF 1878.

REVENUE DEPARTMENT, BOMBAY CASTLE, *9th March* 1878.

To the SECRETARY to the BOMBAY CHAMBER of COMMERCE.

SIR,—In continuation of my letter No. 343, dated 22nd January 1878, I am directed to forward for the information of the Bombay Chamber of Commerce copies of further papers received from the Government of India in regard to the question of erecting a Light-house on Cape Guardafui.—I have, &c.,

D. MACKENZIE,
Under-Secretary to Govt.

INDIA OFFICE, LONDON, *31st December* 1877.

To His Excellency the Right Hon'ble the GOVERNOR GENERAL of INDIA in COUNCIL.

MY LORD,—In continuation of my despatch of the 6th instant, No. 177, I forward for your Excellency's information a copy of a further letter from the Foreign Office, and of its enclosure, on the subject of the proposed lighting of Cape Guardafui.—I have, &c.,

SALISBURY.

FOREIGN OFFICE, 12*th December* 1877.

To the UNDER-SECRETARY of STATE, India Office.

SIR,—I have laid before the Earl of Derby your letters with its enclosures of the 6th instant, relative to the question of establishing a light on Cape Guardafui, and I am directed by his Lordship to state to you for the information of the Marquis of Salisbury that he is in communication with the Board of Trade, respecting the suggestion of the Resident at Aden that an automatic signal buoy might with advantage be stationed off the point in question.

I am at the same time to transmit to you a copy of a circular (dated 7th December 1877), which Lord Derby has addressed to Her Majesty's Representatives in the maritime countries of Europe, with a view of ascertaining whether the respective governments would be disposed to agree to the imposition of an extra toll upon vessels passing through the Red Sea, in order to meet the expenses attending the maintenance of the proposed light.—I am, &c.,

JULIAN PAUNCEFOTE.

FOREIGN OFFICE, *7th December* 1877.

The attention of Her Majesty's Government has for a long time past been directed to the frequent disasters which occur to shipping passing through the Straits of Bab-el-Mandeb at the Southern entrance of the Red Sea, owing to the absence of a light upon Cape Guardafui on the North-East part of the Somali Coast.

Some difficulty has, until lately, been experienced in effecting a remedy for this state of affairs, owing to the doubt which has hitherto existed as to how far the jurisdiction of the Egyptian Government extended over the population inhabiting the Somali Coast. It is, however, understood at the present day, that such jurisdiction is claimed and exercised by the Khedive over the territory in question; and Her Majesty's Government have not failed to press upon the Government of His Highness how important it is in the interests of navigation that a light should be established upon Cape Guardafui.

The necessity for such a light has been admitted by the Egyptian Government; and the Khedive has expressed himself disposed to undertake the erection of a Light-house on the site in question, provided that arrangements can be made for meeting the expense of its construction and maintenance by the payment of special Tolls for that purpose by vessels passing through the Red Sea.

I have accordingly to request that you will bring this matter to the notice of the Government to which you are accredited, with a view of ascertaining whether they, or any Navigation Companies whose vessels may sail under their flag, would be disposed to acquiesce in the payment of extra dues for a light on Cape Guardafui, such payment being effected by adding the amount (when ascertained) required for interest on the coast of construction, and for the maintenance of the light, to the existing Tolls now

levied at Suez upon vessels passing through the Red Sea, for the other lights already established on the adjacent Coasts.—I am, &c.,

(For the EARL OF DERBY.)

(True copies.)

(Sd.) A. B. WILSON, Registrar,
Department of Revenue, Agriculture, and Commerce.

STATISTICS AND COMMERCE—No. 6 OF 1878.

INDIA OFFICE, LONDON, 17*th January* 1878.

His Excellency the Right Hon'ble The GOVERNOR GENERAL of INDIA in COUNCIL.

MY LORD,—In continuation of my Despatch No. 194, dated the 31st ultimo, I forward for your information a copy of a further letter from the Board of Trade on the subject of the lighting of Cape Guardafui.—I have, &c.,

SALISBURY.

BOARD OF TRADE.

HARBOUR DEPARTMENT.

WHITEHALL GARDENS SOUTH WEST.

H. 9052.

22*nd December* 1877.

To the UNDER-SECRETARY of STATE for INDIA, India office.

SIR,—I am directed by the Board of Trade to acknowledge the receipt of your letter of the 6th instant, with copy of a communication from the Government of India and enclosures relative to recent disasters near Cape Guardafui to the need of a Light-house or other warning to shipping in that vicinity and to the suggested employment thereat of automatic signal buoys.

I am in the first place to state that the Board are advised that the signal Buoys would not be likely to prove effective indications of the dangers of Cape Guardafui and the adjacent coast, since the majority of the wrecks in that locality have occurred in the south-west Monsoon, when the conditions would be unfavourable for the sound being heard by vessels since 1874-75 (when communications in connection with the subject passed between the India office and the Board of Trade) the Board have on numerous occasions urged upon the Foreign office the great importance of this question to Navigation, and the desirability of initiating as expeditiously as practicable some preliminary action on the part of the powers interested. It was suggested that a preparatory survey of sites should be undertaken by the French and English Governments conjointly

but after much correspondence the French Government (in March of the present year) expressed themselves unwilling on Financial grounds to co-operate in the matter at least at an earlier date than 1879, and the Lords Commissioners of the Treasury on being applied to by this Department, declined to sanction a survey at the expense of Great Britain alone.

In July last, Her Majesty's Agent and Consul General in Egypt reported that he had urged upon the Khedive the need for a Light house or light vessel in the neighbourhood of Cape Guardafui, and that His Highness promised to seriously discuss the matter with the controller of his Light-house service. The Board of Trade suggested to the Secretary of State for Foreign Affairs that the next thing necessary would be an undertaking from the European Powers interested in the Navigation of the Red Sea for the payment of the necessary Toll to cover the expense, after which engagement the Khedive might be induced to take steps for the erection of a Light-house and its subsequent maintenance and protection. Since, however, the receipt of your letter of the 6th instant, this Department have received through the Foreign Office a further Despatch from Mr. Vesian in which he states that, in the face of present Eastern embarrassments he would hesitate to urge the Egyptian Government to undertake an expensive work, and he suggests the postponement of the proposal till a more favourable time. The Board of Trade regret this delay of a very urgent work, and in the reply sent this day to the Foreign Office, they have suggested to Lord Derby that if the French Government concerned agree to the Toll, it might perhaps be possible for them to assist Egypt in raising the necessary capital by a guarantee. The Board are also in communication with the Trinity House with a view to ascertain whether, in the opinion of the Elder Brethren it might not be possible as a more immediate measure, to *utilize* the light vessel now at Little Basses for the marking of Cape Guardafui and as a refuge for shipwrecked crews pending relief from Aden or elsewhere.—I have, &c.,

C. C. TREVOR.

No. 108 (COMMERCE AND TRADE.)

DEPARTMENT OF REVENUE, AGRICULTURE, AND COMMERCE.

CALCUTTA, 19*th February* 1878.

Copy with copy of the enclosure and of the papers noted in the margin forwarded to the Government of Bombay in continuation of endorsement No. 131, dated the 7th ultimo.—By order, &c.,

Des: for S. of S. No. 194 dated the 31st December 1877 with enclosures.

C. J. LYALL,
Under-Secretary to the Government of India.

(True Copies.)
D. MACKENZIE,
Under-Secretary to Government.

APPENDIX K.

THE OVERLAND MAIL CONTRACT.

No. 231 of 1877.

CHAMBER OF COMMERCE, BOMBAY, 31ST *December* 1877.

To the SECRETARY of the GENERAL POST OFFICE, LONDON.

SIR,—I am directed to remind you that the contract, dated the 1st of August 1874, between Her Majesty's Post Master General and the Peninsular and Oriental Steam Navigation Company, for the carriage of the East India, China, and Japan mails expires on the 1st day of February 1880, if 24 Calendar Months notice in writing is given by either of the parties thereto to the other, and to express the hope of this Chamber that, as the terms of the existing contract are utterly inadequate to the requirements of this Empire, the Postmaster General will, in accordance with the stipulations of the contract, give due notice that it shall determine on the 1st of February 1880.

A public meeting of the inhabitants of this City will be shortly convened to take an expression of opinion as to the amended terms which, with the great improvements in steam navigation, and the development of steam shipping since the opening of the Suez Canal, India, which contributes so largely to the subsidy, is entitled to obtain in the new contract, and the result of the discussion will be duly communicated to you for the information of the Postmaster General. In the meantime, I am directed to state that, if His Lordship should, with the view of giving the most favourable tenderer the longest possible time for the construction of the requisite fleet, decide to invite tenders at once, before the views of the people of this Presidency as to the terms of the new contract reach him, in the opinion of this Chamber the mail service between Brindisi and

Bombay should be a special service, separate from every other mail service, and that this separate special service should be thrown open to public competition. It is obvious that the direct mail service between the United Kingdom and India—that is to say, between Brindisi and Bombay, embraces interests of infinitely greater magnitude than the service between India and China and Japan, and it is therefore most desirable that the efficiency of the Bombay and Brindisi service should not be impaired by any conditions which it might be found necessary to submit to in those services of much less importance, particularly so when it is borne in mind that by separating the Bombay and Brindisi service and inviting tenders for it, the competition will be active and the great advantages of high rates of speed combined with efficiency secured. The Southampton route, so far as postal communication with India is concerned, is little used, and its discontinuance would produce little inconvenience.

The Chamber hopes that these important points will receive the careful consideration of Her Majesty's Postmaster General, before the tenders are advertised.—I have, &c.,

J. GORDON, Secretary.

GENERAL POST OFFICE, LONDON, *24th January* 1878.

The SECRETARY, CHAMBER of COMMERCE, Bombay.

SIR,—Having laid before the Postmaster General your letter of the 31st ultimo, I am directed by His Lordship to state to you, for the information of the Chamber of Commerce at Bombay, that he has already given notice to the Peninsular and Oriental Steam Navigation Company of his intention to terminate on the 1st February 1880 their contract for the conveyance of East India and other mails, and that, in arranging the conditions under which tenders shall be invited for a new service, he will not fail to give due consideration to the suggestions made by the Chamber of Commerce at Bombay.—I am, &c.,

JOHN TILLEY.

PROCEEDINGS OF THE PUBLIC MEETING OF THE INHABITANTS OF BOMBAY TO CONSIDER THE TERMS REGARDING THE POSTAL SERVICE BETWEEN ENGLAND AND INDIA, CONVENED BY THE SHERIFF, AND HELD IN THE TOWN HALL OF BOMBAY, ON FRIDAY, THE 1st MARCH 1878, AT 4-30 P. M.

A public meeting was held in the Town Hall, on the 1st March, 1878, for the purpose of adopting a Memorial to Her Majesty's Post Master General, setting forth the views of the inhabitants of Bombay as to the conditions necessary to secure for them in the contract soon to be made an efficient mail service, and praying that his Lordship will adopt the suggestions contained in the Memorial. There was a large and influential attendance of Europeans and Natives.

On the motion of Mr. Vurjeewandas Madhowdas, seconded by Mr. Sorabjee Framjee, the Hon. W. Lang, Chairman of the Chamber of Commerce, was voted to the Chair.

The CHAIRMAN said :—Gentlemen, you are all aware of the object for which we have met here to-day, and I am glad to see assembled so numerous a body of the citizens of this town, representing, I believe, all classes of the community. As the gentlemen who have undertaken to propose and support the Memorial which is before you, and which will presently be submitted for your adoption, will no doubt enter fully into the details of the subject, I think it is unnecessary for me to occupy the time of the meeting in any similar manner. I would remind you that we last met together in this Hall for a similar object in 1874. On that occasion we felt called upon to protest against an arrangement which had been concluded between the Post Master General and the P. and O. Company, by which, in exchange for the valuable concession sought by the Company of running their steamers through the Suez Canal. The contract time for the conveyance of the Indian mails had only been reduced 24 hours, when much more favourable terms might and ought to have been secured for India. That arrangement was a most discreditable one to the Home Government, and it is necessary to appreciate that it was so, or it might be thought by some that in asking that the speed in the new contract to commence from 1880 be increased to the extent which is mentioned in the memorial, we are demanding too great an increase over the present contract rates ; but I think that if we in 1874 had a right to expect, and did ask for the conveyance of the mails between Bombay and Brindisi in 16 days, we are in no way overestimating the subsequent improvement in steamers and machinery in asking that from 1880 the mails should be conveyed from Bombay to London in 13 days. When the contract last came on for modification the negociations between the Home Government and Company had been conducted so much in advance of the possibility of expression of public opinion on this side, that the earliest

and fullest discussion of the question in the present position of the matter is most desirable, in order that the authorities may be fully aware that the subject is one in which the inhabitants of this town take a great interest, and that they may feel that public opinion on the subject has been thoroughly aroused and may know what we consider we have a right to demand, and our reason for asking it. You will have observed that the matter was taken in hand sometime ago by the Chamber of Commerce, and that official intimation has been received that notice has been given by the Post-Master General to the P. and O. Company of the termination of the present contract in 1880. From more recent communication which the Chamber of Commerce has had with the postal authorities here, we have every reason to think that the whole subject is engaging the attention of the chief postal authorities in Calcutta, especially the question of the necessity of continuing or not the Southampton line, the Chamber of Commerce having been especially asked for their opinion on that point. The Chamber of Commerce also sought the co-operation of the Chambers of Calcutta and Madras in any representation which it might be considered desirable to make; but to judge from the report of the proceedings at the meeting at Calcutta, they seem on that side to have a fainter appreciation of the benefits to be derived from an accelerated mail service than we have. They advocate also the maintenance of a direct line to some port in England; but as the number of fast regular steamers leaving direct from the principal ports in India for England are rarely increasing, I cannot see on what grounds the maintenance of a specially subsidized line to England can be upheld. I am sure, gentlemen, that we meet here in no spirit of opposition to the P. and O. Company. We are, I am sure, all proud of that Company and of its magnificent fleet of steamers. If they have not been kept up to the requirements of the age as regards speed that is no doubt in a great degree owing to the very lenient contract they have hitherto enjoyed, for we know that, though most of their steamers are not up to the standard of speed which should be expected in these times, the mails are almost invariably delivered a day or two earlier than contract time. Gentlemen, although the importance of rapid communication between countries carrying on a trade of such magnitude as that between India and England cannot be overestimated, the subject is not one which alone effects mercantile interests to civilian, military, and professional men, it cannot but be a subject of interest and importance, as indeed to all European residents in India; it will greatly mitigate the evils which are inseparable from an Indian career. To any of us who have travelled home with those who have been prostrated by any of the disease of the country to which we are liable, it must have very forcibly occurred, that a day or two less in Indian waters often means life or death. Being brought nearer to the West, must in every way be productive of great good to all—for the good of India, for the good of its inhabitants, for the good of its commerce. Therefore, we cannot urge our views upon Government too strongly, and I trust we shall succeed in obtaining a recognition of the claims of India to a mail service in accordance with the requirements of the age in which we live. With these remarks,

gentlemen, I now call upon Mr. Kittredge to propose the adoption of the Memorial which is in your hands.

The following Memorial which had been published in the newspapers and distributed among those present was taken as read :—

To the Right Honourable LORD JOHN MANNERS, M. P., Her Majesty's Postmaster General.

The Humble Memorial of the inhabitants of Bombay in public meeting assembled

RESPECTFULLY SHEWETH,—That your Memorialists, having learned with satisfaction that notice has been given to the Peninsular and Oriental Steam Navigation Company to terminate the postal contract for the conveyance of the East India, China, and Japan Mails, on the 1st day of February 1880, desire to submit for your Lordship's consideration the views of the inhabitants of Bombay as to the conditions necessary to secure for them in the contract soon to be made an efficient mail service.

That the interests of India require that the mail communication between Brindisi and Bombay shall be a special mail service conducted at a high rate of speed and that no other service shall be connected with it which can, in any way, interfere with its efficiency.

That such an express service, recommended by a Select Committee of the House of Commons so long ago as 1866, should no longer be delayed, as the increased facilities for communication have rendered a complicated Eastern Mail Service unnecessary, while they have made a special fast express service with India both practicable and reasonable.

That in order to secure the best service at the least cost every opportunity should be given for the freest competition ; and that, to ensure this, tenders should be at once asked for the mail service between Brindisi and Bombay from February 1880 in order to afford ample time for the construction, if necessary, of a fleet of steamers specially adapted to rapid service in the East.

That the vast development of steam shipping since the opening of the Suez Canal, giving to each important port of the East one or more regular lines of steamers, and to all ports a large fleet of irregular steamers, has removed the necessity, on political grounds, of subsidizing steam lines in the Eastern Seas.

That for the same reason the necessity has ceased for subsidizing the mail routes popularly known as the Southampton lines ; that the so-called "heavy mails" can be sent at a much reduced expense either with the fast mails, via Brindisi, or by arrangement with one or more of the regular lines of steamers now trading between Great Britain and the East.

That in case it is found necessary or desirable to furnish special mail services to China, Japan, Ceylon, or Australia by any route or routes other than *via* Bombay, such mail contracts should be made separately and that the Indian service should not be interfered with or its expense increased thereby.

That the mail service between London and Bombay, via Brindisi, should be performed in sixteen days, the mail leaving London on Friday evening to arrive in Bombay on Sunday evening ; the mail to leave Bombay on Friday evening instead of as now on Monday

evening and to arrive in London on Sunday evening in time to deliver the mails throughout Great Britain on Monday morning.

That during three months of the S. W. monsoon, one day additional time be allowed for the passage from Bombay to Aden, the mail to leave on Thursday instead of Friday.

That the course hitherto pursued of contracting for the Indian Mail Service for a long term of years without any reference to the wishes of the people of India or the opinion of its Government has resulted in unsatisfactory, and burdensome contracts; that the large amount which India contributes toward the expense of the mail service gives her a right to a voice in the settlement of that service by which its communications with Europe are maintained; that the interests of this Empire, therefore, demand that any Indian Mail Contract shall, before final settlement, receive the approval of the Indian Government.

Your Memorialists therefore respectfully entreat your Lordship to adopt these suggestions in arranging the conditions of the new mail service for India.

And your Memorialists, as in duty bound, will ever pray.

Mr. KITTREDGE said—Mr. Chairman and gentlemen, I rise to propose the adoption of the memorial which has been given into your hands, and in doing so, I would remind you that the subject mentioned in the memorial is one of a purely business-like nature, and my remarks, therefore, will be of a purely business-like character. I do not intend to-day to take up your time by comparing the speed with which our mails are carried now with the speed at which mails are carried in other parts of the world between other countries; but I do wish to call your attention to what has been offered to be done and what has been done by the present contractors many years ago, and to compare that with what is being done now. I find on looking back over old records, that so long ago as 1848, 30 years ago, the P. and O. Company, offered to carry the mails, between Singapore and Sydney, across a very uncertain sea, in little steamers of 300 tons, and burning 24 tons of coal a day, at a speed of 9 knots. Now, gentlemen, 30 years later, when 24 tons of coal a day will easily give a steamer of three thousand tons a speed of 10 knots, at what contract speed are our mails being carried? A bare 9½ knots. With all the improvements that have been made in steam machinery, and with all the saving in expense consequent upon the opening of the Suez Canal, we have given us but half a knot in advance of the speed we had 30 years ago. But in 1853 and 1854, the contract speed was 10 knots, and it so continued up to the present contract, so far as my information goes. Meanwhile, before the present contract was entered upon there were representations made by the Bombay Government and by the Government of India that the speed was too low and should be increased. A Select Committee was appointed by the House of Commons on the question of the East India and China mails, who, after taking a great deal of evidence, reported, in 1866, as follows:—"That the time-table (this refers to the new contract) should be based on a prescribed speed of not less than 11 nautical miles per hour between Marseilles and Alexandria and 10 miles per hour between Suez and Bombay, but that the ten-

derers be requested to state also terms in each case for higher rates of speed of not less than one additional half mile per hour." They were not satisfied with even 10 knots then, and considered that they should ask for a higher rate. This representation, however, was entirely disregarded by the postal authorities at home, and they cut down the speed to 9½ knots, and barely that, for the contract time between Bombay and Brindisi is 422 hours, and after allowing for 16 hours' stoppage in Egypt and 6 hours at Aden, you have barely 9½ miles an hour. But you may say, what is the contract rate? Don't we pay less? No, gentlemen, we pay 50 per cent. more now than we did formerly for a higher rate of speed. The contract price previous to 1867 was 4s. 6d. per mile; and notwithstanding that now 20 tons of coal will do the same amount of work that 60 tons would 25 years ago, when the rate of speed was 10 knots, and notwithstanding that expenses have been decreased by the opening of the Suez Canal, and that steamers now go full of cargo where before they carried only specie and passengers,—notwithstanding all these advantages, and although the rate of speed is decreased by half a mile an hour, we have paid from 1857, or rather from the beginning of 1868, when the present contract came into force 6s. 7d. per mile as compared with the previous rate of 4s. 6d. per mile. Is it unreasonable, gentlemen, that we ask to be heard before another contract is entered into? Now, gentleman, one point in the memorial which has been placed in your hands is that we require to have a special postal service between England, via Brindisi and Bombay, and that no other service should interfere with it in any way. We believe that Commerce will take care of itself, and even if not, that it is not right to tax postal communication for the benefit of commerce; further we contend that it is not necessary now to subsidize steam lines on political grounds: that if the time ever was when it was necessary that the postal service of the country should be taxed in order to keep up a steam line for use in times of political complications, that time has now passed. What, gentlemen, has given the British nation the advantage of the splendid Atlantic fleets? What, since the Suez Canal was opened, has given to China its regular lines of steamers, of which one, the "Glen line," makes its passages in an average of 45 days, and some passages as quick as 39 days, as compared to the P. and O.'s contract speed of 49 days? What has given Calcutta its regular lines, of which the "City line" gives an average of 33 days, with an occasional passage of 30 days, against the P. and O.'s contract speed of 38 days? What has given Bombay its two regular lines soon to be supplemented by large powerful steamers? What has given the whole East the large fleets of independent steamers now found in every port and on every sea? Is it Government subsidies that has done all these? No, gentlemen, it is owing simply to trade and competition. And the experience of the East has confirmed that of the West, that if you want a fleet of steamers which will be a source of wealth in time of peace and a source of power in time of war, you will obtain it, not by Government subsidy, but by the stimulus of rivalry; and if you want speed, you must apply the spur of competition. The British Mercantile Marine got rid of its Government leading strings as long ago as 1849, when the British navigation laws were repealed, and the ships and companies which

have gained the greatest success, those which have flourished the most, are those which have not depended at all upon a Government subsidy, but those which have trusted entirely to their own pluck and enterprise. (Applause.) But, gentlemen, the Abyssinian war tested the question as to whether Government trusts in time of war to subsidized companies or to the independent marine. At that time the Suez Canal was not open, there was here only one subsidized line—and that of small steamers—beside the P. and O. Company, and all circumstances were such as to make Government, if ever, look to the P. and O. Company for assistance. And yet of 200 ships and steamers chartered by Government for the Abyssinian expedition, how many did the P. and O. Company furnish? Six only! If, gentlemen, they proved of so little use then, is it necessary now to subsidize lines for political purposes? Connected with this question of giving up all idea of subsidizing steamers on political grounds is the question of the Southampton route. What does this cost? The whole contract money paid to the P. and O. Company is £430,000 per annum, for which they run 1,300,000 miles a year. That payment was based on an actual expenditure, according to the P. and O books and statements, of 40s. per mile as the cost of running their steamers. Now, gentlemen, taking the cost of 40s. per mile as a basis and for coal, 15s. a ton in England, 30s. a ton in the Mediterranean, and 40s. a ton in the Eastern seas, which I believe will be admitted to be a fair rate—certainly comparatively fair—we find that the Southampton line of steamers cost this country's postal service, £105,000 a year. What does it do for this large sum of money? It brings from England about 4,000 lbs., and it carries home from here about 400 lbs., of mail matter per week. Now, gentlemen, for what sum could all that be carried by the Brindisi mails, and brought out and taken home a week earlier? Why, for a sum of £300 a year! We are actually paying and for it have been taxed ten years in our postal rate and will be taxed two years more £105,000 a year for doing what could be done by the Brindisi route for £300 a year. I base these calculations (which I believe are correct) as to what it will cost by way of Brindisi instead of *via* Southampton, on the best railway authority to be found in Bombay; from whom I learn that for the carriage by railway across the Continent, for this small weight of mail matter in addition to that now carried a halfpenny a mile will be a remunerative rate, and on this basis the cost will come to £300 a year. But if you double that, or treble it, or quadruple it,—or even if you multiply it by 10—you will get only £3,000 against £105,000.* In case the information furnished me is incorrect, then there is the alternative of sending the cheaper letters by any steamer sailing between England and India, which the law provides for on the payment to the ship of one anna per letter. The Bengal Chamber of Commerce recommend that this line should be continued; but they have given no reason for it. On looking into the account of the proceedings contained in the Calcutta papers, I find it was suggested

* It is possible that the Continental postal rate may be levied by a rate per cover, but even in such case the sum paid would be but a moiety of £105,000—the amount of the Southampton line subsidy.

apparently at the last moment, by a member who spoke at the close of the meeting, that in time of war it might be necessary. But surely it is not desirable to pay £105,000 a year, or even a smaller sum, in anticipation of a war that may never come. If the Brindisi mail, or any Continental mail should be stopped by a war, it will be time enough to see about sending our mails round by Gibraltar ; but it is not necessary that the postal rate be taxed in fear or anticipation of a war. But the Bengal Chamber go further than this, and ask that the Southampton mail should be kept up, but that the Brindisi mail should not wait for it, the former, if late, being sent on from Suez by a special steamer. Imagine a special steamer chartered to carry less than 2 tons of mail matter! Surely the proposition could not have been passed if it had received much consideration. I think I have made it clear to you that the Southampton line is not needed for postal purposes ; if then it is to be kept up for political purposes who should pay for it? Is it right to tax the foreign correspondence of this country on this account? Many civilized countries spend something from the general revenues of the country to reduce the cost of postage, but I never heard of any which taxed correspondence for the general benefit of the country. Now, I want to say one word regarding the contract time we have asked for in this memorial ; which would require the mail leaving London on Friday evening to arrive in Alexandria on Wednesday evening, and leaving Suez on Thursday morning to maintain an average speed of 300 miles per day to arrive in Bombay on Sunday evening ; and I say but a word as my views are already known to you, having been stated in a letter which I sent to the daily press. The time stated in that letter was not merely an expression of my own ideas, it was arrived at in consultation with the very best authorities, those who have been for many years navigators in the eastern and western seas. It has been suggested in a letter to one of the daily papers within a few days that we are asking for too much, and in support of this view attention was called to the boisterous weather on the Atlantic and in the Irish Channel ; also to one or two cases of very exceptional detention between Brindisi and Bombay. All this was very well known to us ; but we say that it is no reason why we should not have a fast mail service in waters which are, with very rare exceptions, very favourable for steaming. It is true, as I have found from my own experience, that you can hardly ever make a passage across the Atlantic without having the speed of the steamer brought down to about one-half its usual rate for one or more days ; but it is not so in the Eastern seas. Out of 15 voyages I have made across the Atlantic, in only one was the steamer able to make the voyage without one day at least being brought down to 5 to 6 miles an hour ; and out of 17 voyages I have made between here and the Continent, in only one was the vessel brought down by bad weather to a low rate of speed and that was on the voyage of the Carnatic mention of which was made in the papers the other day ; and then, though we were delayed in consequence of that accident for a few hours, we had such fortunate weather all the rest of the passage that it would have been a very simple thing for a full-powered steamer to make up all the time we lost. I do contend therefore that, though on

the Atlantic speed is not a matter of expense alone, although it is impossible there to be sure of the weather you may meet in the eastern seas it is simply a question of boiler space and coal; for it is very exceptional indeed, except in the S. W. Monsoon, when any sea is encountered which would prevent a good sized steamer using her full power. But, gentlemen, what is the penalty for delay? We acknowledge that even between Brindisi and Bombay there may at times be accidents or weather to detain a steamer; but are we to have two mails in each week detained on that account? What would be the result of any detention? It would simply be the payment of a penalty. Under the present P. and O. contract, the penalty would be £100. We propose to pay well for the speed we ask for and the contractors must take the risk for the one or two occasions when they may be detained; we would recommend paying a price by which we can insist on a rapid speed and enforce a penalty in any and every case where, from any cause whatever, that speed is not attained. I come now to the consideration of what we are paying for our present unsatisfactory service and what we shall need to pay for an express service for the Indian Mails; and here I may remind you that one of the recommendations of the special Committee of the House of Commons in 1866 was that the Indian Mails should be carried by a rapid express service unconnected with any other line. I have already stated that the payment made under the P. and O. contract is £430,000 per annum, and I have informed you on what basis I have calculated the cost of the different lines. That contract includes not only the carriage of the mails between Brindisi and Bombay, but between Southampton and Alexandria, Suez and Calcutta, Bombay and Shanghai, Shanghai and Japan, and Galle and Australia. We throw out the Australian mails; the Colonists are quite able to take care of themselves, and the quickest route to Australia is now acknowledged to be via the Cape, though returning, a quicker voyage can be made by the Red Sea; there is nothing, however, to prevent the Australian mails being carried with the Indian to and from Aden should that be thought desirable. We think the service between Shanghai and Japan need not be maintained, because the mails are carried in 10 days quicker time via San Francisco than they can possibly be by this route. We have then to consider our own and the China mails. As regards the latter, the Committee of the House of Commons, in 1866, made this recommendation: "That in the opinion of your Committee, the arrangement under which India now defrays a moiety of the net cost of the China service, after deducting the postal receipts, will not under the proposed arrangement be equitable as regards that Government, and should be modified." I have not been able to learn that any notice whatever has been taken of that recommendation, but the China service has I believe been kept up at the cost of our postal service at an expense of £167,000 per annum. After considering the rate which we should pay for the mail between Brindisi and Bombay, I shall suggest a route for your consideration, which I think you will approve of as more economical than the present one for China mails. The expense of the route now between Brindisi and Alexandria is £28,000, and between Suez and Bombay £102,000, making a total of £130,000. That is based on an estimated expen-

diture of 40 tons of coal a day to attain a speed of 11 to 12 knots. Now, we allow 2 tons more per day to attain the speed which we require in order to reach Alexandria by Wednesday evening, and we consider that on this side 15 tons per day extra should be allowed in order to attain a speed of 12½ knots; the total extra cost of coal necessary to attain the rate of speed laid down in the memorial will be, we believe, £35,000 a year, which added to £130 000 will give £165,000. That sum, based on the present contract rate, would be required to give us a service which would carry our mails through in 16 days. But it is not fair to base the calculation upon the rate we are now paying as that rate is 50 per cent. more than we were paying 10 years ago, when everything was more disadvantageous to steamers; I think it quite safe to reduce that rate, and base our calculations on the former contract rate of 4s. 6d. per mile. In confirmation of this, I may recall to you a speech of Mr. William Rathbone, one of the best authorities in the House of Commons on this subject, in which he said that the postal rate paid to the P. and O. Co. would quite pay the whole expenses of any well-managed and well-regulated company. Basing the calculation on a rate of 4s. 6d. per mile, the expense would be £90,000 for the express line between Brindisi and Bombay, *plus* £35,000 for extra coal, or a total of £125,000. Then, gentlemen, what do we get from postage? This, I am sorry to say, I am only able to estimate and on very insufficient data; it is impossible for me to obtain information here; but I find that whereas the postage in 1867 gave only £175,000, in 1874 they reduced the cost of the subsidy over receipts to only £130,000 out of £430,000, so that within the intervening time the revenue from the postal service had apparently increased from £175,000 to £300,000. Now, allowing £50,000 of that for the China mail, we have £250,000 as the revenue from the Indian Postal Service; and I have shown you, or tried to show you, that the service should be carried out at an expenditure of £125,000. But you may say that there is comparatively little freight on the Brindisi-Bombay line and therefore the rate must be comparatively high for an express service on this route. If you look, however, to the shipments of cotton for 1875 and 1877, you will find that, while shipments to Liverpool fell off from 811,000 bales in 1875 to 388,000 in 1877, the shipments to the Continent advanced from 429,000 in 1875 to 451,000 in 1877, and this in spite of the loss last year from drought of the Dharwar crop, nearly the whole of which goes to the Continent. There need never be any fear about getting freight at Bombay for the Continent. Furthermore rapid transit will no doubt largely increase the number of passengers. It follows therefore that, according to these figures, we can have a special fast mail service between Brindisi and Bombay for £125,000, and our postal rate can be reduced by one half. But in case we take in China, what will the expense be then? The voyage from Aden to Galle is 2 days and 2 hours longer than the voyage from Aden to Bombay, and the railway journey from Bombay to Calcutta is only 2 days and 10 hours. Therefore, the mail, if brought by sea to Bombay, can be laid down in Calcutta within 8 hours of the time it can be laid down in Galle; and if, as is anticipated, the Bengal Chamber of Commerce succeeded in getting a quicker train through to carry

the mails it can probably be laid down in Calcutta in about the same time as at Galle. Then, a steamer line between Calcutta and China can be carried on at a tithe of the expense that is required between China and Galle, because at the latter port steamers cannot get freight, and coal is dear; and between China and Calcutta there is the advantage of a larger and valuable trade which will give the means of a postal service for a comparatively small subsidy. There is also the advantage of getting at Calcutta very cheap coal. I calculate that whereas the China mail now costs us £167,000 including, as it does, the lines between Suez and Calcutta and between Bombay and Shanghai, it could be carried at the same rate per mile, via Bombay and Calcutta, for £73,000 at the same time giving China the full advantage of our proposed express service to Bombay; allowing for the reduced price of coal, at Calcutta it could be done for £63,000, and reducing the rate per mile from 6s. 7d. to 4s. 6d., for £40,000 in round numbers. The Ceylon mail can be carried at a trifling expense via Madras and Tuticorin. Add therefore the £40,000 to the £125,000 for the line between Brindisi and Bombay, and we have the through service for £165,000 a year, and excepting Japan, we shall have for that sum everything, so far as postal services are concerned, which we get now for £430,000. Of course this proposed plan will leave Ceylon unconnected directly with England by any subsidized line, but it can have a better postal connection with India than it now enjoys, and its commerce can safely be left to the independent lines of steamers which will be continually calling at its ports. If then postal communication at an accelerated speed can be obtained for both India and China for a little over one-third of what is now paid, are we not right in asking that the change be made as soon as the present contract comes to an end? Then, gentlemen, another point which we have laid stress upon in the memorial, and which I think you will all agree with, is that in order to get the best service at the lowest rate, we must have the coming contract open to free competition. This is what we have never had before. I find from the old documents of the postal service, with regard to the early contracts of the P. and O. Co., the following:—"The Admiralty advertised in April 1840 for tenders to be sent on the 19th of May to undertake the service in September with vessels of 400 horse power when there were but five vessels of 400 horse power in existence. Urgent application to postpone the decision a month was refused, and on the 19th May the contracts were obtained for the P. and O. Company on their own terms." How was it again in 1867, when the present contract was made? The advertisement was given out in March for tenders to be sent in September 1867, and parties were to be ready on the 1st February 1868 to undertake a complicated mail service throughout the East. After the receipt of the tenders in September, it would have been necessary that they should be passed by the postal authorities and then by the Treasury Department, and afterwards by the House of Commons. After waiting for all this, could any Company be expected to put on a line of steamers throughout the East and have them ready for work by February 1868? The truth is, we have never had any competition whatever in previous

contracts ; it has been a matter of bargain between the P. and O. Company and the Post Office authorities, and the P. and O. Company have been too much altogether for the Post Office. The directors of the Company have only done their duty, as they were bound to do, in getting the best contracts possible for their shareholders ; but they have made contracts which are most damaging to us, and which the postal authorities should hardly have entered into. Now, gentlemen, we wish this time to have fair play, and while we give due credit to the P. and O. Company for what they have done, it is necessary, if we would get the best contract at the lowest rate, that we maintain a position of neutrality. We cannot favour the P. and O. Company as it has been favoured before without paying for it very dearly. They have certainly done their work well; but they have been paid well. They have received from Government, or will have received before 1880, a sum considerably exceeding 12 millions sterling. The subsidy paid them was so large, that up to 1867 they paid never less than 7 per cent. dividend and for more than six years they paid nearly 11 per cent., and since 1867 they have had their subsidy increased by 50 per cent. We must insist on the postal authorities entering into negotiations for this new contract without any preference for the P. and O. Company. I find they still insist that they must have a preference. The Chairman, at the last meeting, said : " We have, however, some claims. We claim during a period of 38 years to have performed the duties to the satisfaction of the Post Office as well as Parliament." And he added further: " In this new contract we shall have the Post Office with us." I think, therefore, that we should adopt with unanimity that clause of the memorial which asks of Government that in this coming contract there should be no favoritism shown. It is not necessary, and it is not fair. It is not necessary, because if the P. and O. Company, after 40 years of Government assistance, cannot compete on equal terms with other companies, it is a sad comment on the effect of Government subsidies ; if they can so compete they need no preference shown them. It is moreover not fair as the favoured company is enabled by means of the Government assistance to compete with independent companies on unequal terms for freight. Now, gentlemen, I have but one more word to say to you, and that is with regard to the benefits of increased speed in the postal service. I know that a great many say it will make no difference whatever whether our mails come in 20 days, in 18 days, or in 16 days ; but I do not agree with that. In asking for increased speed we are not contending for an idea merely but for that which will tend to the advancement of the country's practical interests ; increased speed means increased activity, increased energy, increased enterprise, increased intelligence ; the increased speed of a steamer means that the steamer will make more money, that the passengers will do more, that the cargo will earn more ; it means that all the money expended and all the labour devoted to commerce will bring in quicker returns. Just as certain as increased circulation of the blood in the human body gives increased life and health and vigour, so does increased speed in postal and commercial communication add to the energy enterprise and vigour of the world. (Loud applause.)

SIR JAMSETJEE JEEJEEBHOY remarked that after what had been said by the previous speaker, and knowing that there were other gentlemen to follow him in support of the motion which had been so ably proposed, he should not detain the meeting with any lengthened remarks in seconding the proposition, because there were others present who were more intimately acquainted with the subject than he was. In 1874 a large and influential meeting was held in that place to protest against the revision of the Indian mail contract which was then under consideration by the Home Government, because that contract did not stipulate for the regular conveyance of the mails between Brindisi and Bombay in 16 days. The result of the efforts made on that occasion by the public of Bombay to get more expeditious delivery of their letters fell short of their demands, and the only concession made was a difference of 24 hours in the delivery of the Brindisi mail, that was, the contract time was altered from 21 days to 20 days. It now seemed to be universally admitted that even this modified rate of travelling was much in excess of what was necessary, for the mails more frequently than otherwise arrived much below the contract time. As the contract would terminate in two years, it was not too much to expect, considering the improvements which had been made in recent years in machinery and the large fleet of fine steamers which had commenced running between England and this country since the Suez Canal was opened, that by throwing this contract open to competition, they should without difficulty get an express mail service between England and this country, which by increased speed and shorter detentions on the way would not occupy more than 16 days for the conveyance of the mails. (Applause.) With these remarks he had great pleasure in seconding the resolution which had been put to the meeting. (Applause.)

MR. DONALD GRAHAM :—I would like, Mr. Chairman, to say a few words on this question, but only on one point, viz., that of the proposed rate of speed. The other points in the memorial have been fully and clearly dicussed by Mr. Kittredge, besides they are substantially the same as those urged by the Bombay Chamber of Commerce in their letter which, I think, originated this discussion. As far as I have noticed the criticism they have received there seems to be no very material difference of opinion regarding them. As regards, then, the speed. The Chamber recommended a rate of 13 knots on this side of Suez and 15 knots on the other side. This is somewhat modified in the present memorial, but not, as I understand, from any disbelief in the practicability of the rates named, but rather because of the more suitable time for arrival and departure. The memorial proposes to allow 16 days between Bombay and London, leaving each place on Friday evening. Taking the homeward journey, 10 days would be allowed between Bombay and Suez, which, allowing 6 hours for delay at Aden and adding 3 hours for difference in longitude, gives 237 hours, necessitating a speed of 12·54 knots, the distance being 2,972. The mail would thus arrive at Suez on the second following Monday night, and allowing for necessary delays, would be able to leave Alexandria by midday on the Tuesday. As the London train would have to leave Brindisi on Friday morning this would allow

at least 65 hours for crossing the Mediterranean after allowing for delays at each end. The distance being 820 miles, the rate of speed required would be 13. Thus we have rather more than 12½ knots on this side and 13 knots on the other side. Now, I know we shall be told that this rate of speed is impossible, and that we are unreasonable in asking for it. Opinions to this effect have been expressed several times of late, but the only practical attempt at evidence on the subject has been that which I have seen contained in a letter in the *Bombay Gazette* of Wednesday. It was there stated that the only Atlantic line which had kept up an average of 12 knots was the White Star Line. That was only for one year, and that if the next few months had been added, the writer has reason to believe that the average would have been very much less. Now that is a statement which I find altogether contradicted by a report in the White Star Line, published at page 316 of the Nautical Magazine for 1876. The particulars of the voyages of all the steamers are there given, and not for one year but for five years. I find the average of the whole for 148 voyages towards New York was 12·51 knots and for 145 voyages towards Queenstown 13·53 knots, giving an average for the whole of rather over 13 knots. Taking the newest steamer belonging to the line—the Germanic—I find that her average for 7 voyages towards New York was 12·88 knots, and for 6 voyages towards Queenstown 14·07, making an average of as nearly as possible 13½ knots. Then, as regards the statement that the White Star Line was the only one that kept up 12 knots, I find that that is also a mistake, for at page 756 of the same publication for 1875, particulars are given of the Inman line, or at least of 5 of the Fleet, no doubt the best five. The average of these towards New York has been 12·93 and towards Queenstown 13·90, making an average of 13 41. I think, Sir, that it will be evident that the speed we ask for is by no means impossible. If 13 or 13½ can be kept up on a long voyage across the Atlantic, how much more easily should it be possible in a short voyage across the Mediterranean? Now, as to the voyage on this side of Suez, I won't presume to express an opinion upon the difficulties attending the condensing of steam in a hot climate. No doubt they exist in some degree, but authorities differ, and I have heard it said that they have been a good deal exaggerated. I am sorry to say that I have not been able to get exact particulars of the passages of fast steamers between this and Suez. I know, however, that the steamers of the Hall Line in the East have always come from Suez in 11 to 11½ days, and have gone to Suez even against the monsoon in 12½ days. Take the Trentham Hall for instance, which is a fair example. I find her shortest passage has been 10 days 21 hours, and her longest, including those against the monsoon, 14 days 7 hours. I mention this as an instance of what is being done, though the speed of a line not subsidised and intended mainly for cargo is no criterion of what the mail service ought to be. I have not got particulars of the City of Baltimore's passages between this and Suez, which I am sorry for, as she is the quickest of the line, but on one occasion, having to go quickly to Calcutta, she performed the distance in 7½ days, or at a speed of 14½ knots. Then there are some steamers in the China trade

which are fast—among others, the Gleneagle and the Loudon Castle. I have not been able to get particulars about their performances, except in one case, when the Loudon Castle made the voyage between Suez and Singapore in 16 days 8 hours, or at the rate of 13·39 knots, the distance being 5,036 nautical miles. It may be said that it is not fair to pick out specially fast steamers, but I altogether dispute this. I contend that in discussing a new contract we are justified in taking the best steamers made—of course, always remembering that economy must be combined with speed and general efficiency. Improvements are taking place every day in the construction of steam vessels and we may feel sure that steamers can be built at least as good in every way as any now afloat. A good deal has been said about storms and contrary winds and consequent delays, but I fancy any one who has had the experience of a few winters in the Atlantic will speak hesitatingly about anything in the way of storms to be encountered between this and Brindisi. If Atlantic steamers can keep up anything like regularity, how much more ought the same to be accomplished here. I think, Sir, that subsidised lines may be looked upon rather as a necessary evil. They are necessary in order to keep up communication which private trade could not be relied upon to do, but they must, to a certain extent, check the natural growth of competition which alone can be relied upon to give the best results. Whenever it can be shown that private trade can accomplish what is wanted, subsidised lines should be given up. That is why the subsidies have been withdrawn from Atlantic lines and why it is now proposed to abandon the Southampton line. The line to Brindisi is necessary because trade has not developed sufficiently to keep up the required communication, but the subsidy should be arranged so as to interfere as little as possible with private lines. This can best be done by insisting on a high standard of efficiency, so as to prevent healthy competition from being crushed. Private lines will have to work up towards the subsidised line, but owing to the subsidy will not be able to surpass it. I therefore think that on the standard of our mail service will depend the class of steamers which carry on the trade. If we have a high standard for our subsidised line, we shall have a comparatively high class of steamers coming to the country, whereas if we are content with second rate standard, we condemn ourselves to a lower class of steamers for the general trade. (Applause.)

Mr. M. MOWAT said—The memorial to Her Majesty's Postmaster General contained the gist of the arguments on that important subject, and he must allow that they had made out a very good case. They were met there in no spirit of hostility to the Peninsular and Oriental Steam Ship Company, they admitted that it had done its work well; and as asked in the proud motto which it bore, namely, *quis separabit*? He frankly stated that he hoped it would be long before a Company which had achieved such signal success would be separated from our shores. All they asked was that this great contract be given to those who would serve them cheapest and best, and all other things being equal, the Peninsular and Oriental Company need not dread competition that the line between Brindisi and Bombay be independ-

ent of all others, and that we be put into possession of the advantages which modern science entitles us to. From the day on which Jason went with his ship Argo in quest of the Golden Fleece, the progress in maritime conveyance had been rapid: from that on which Henry Bell launched his Comet on the Clyde, wonderful strides had been made in Steam Navigation. Fulton's Claremont steamed on the Hudson River at a speed of only 4½ miles per hour: on the Clyde over 20 miles was now easily attained. The Sirius, the first steam-ship which crossed the Atlantic, did so in 1838 partly under steam and sail in 18 days; in the same year the voyage was accomplished by the Great Western in 15 days; both were considered wonderful voyages at the time, but in the present day the swiftest steamers could go over the same waters in half the number of days. All those who took any interest in this great question allow that we must have a very material increase in speed, and he believed that the Peninsular and Oriental Company were prepared to go with them a considerable way in this direction. Let them now consider whether they are demanding too much? He thought not. The Chamber of Commerce named an average speed of 15 knots in the Mediterranean, and 13 knots in Indian waters. But what they were now asking was a very great modification on the original views of the Chamber, and he supposed the Peninsular and Oriental Company itself would be startled with their modesty. Bear in mind the fact that with the Kaiser-i-Hind built the other day the contractors guaranteed an average speed of 15 knots. What were they now asking for? That the mails be conveyed between Brindisi and Bombay in 13½ days or adding 2½ days for the Continental journey—that letters between London and Bombay be exchanged in 16 days. Let them examine a few figures. The distance between Brindisi and Alexandria is 850 miles, and between Suez and Bombay 2,972 miles together 3,822 miles, which if divided by 300, the number of hours in 12½ days (for he was allowing 24 hours for transit through Egypt and stoppage at Aden) gives a result of 12 3-5 miles per hour or say, something under 11 knots; and to test the accuracy of his statement as between miles and knots he had submitted his figures to an experienced navigator in the eastern seas. That was not much: no doubt could possibly be thrown on the accomplishment of this pace in the Mediterranean, and even those who stood up for a smaller figure on this side—where the difficulty of getting up speed was always put forward (notwithstanding the feats which had been accomplished by the vessels of the Hall and Anchor lines as referred to by Mr. Graham) will be bound to acknowledge that they were asking for very little. For the sake of comparison let them see what had been accomplished in the shape of rapid passages over the Atlantic. The distance between Queenstown and New York was 2,850 knots, and the City of Chester belonging to the Inman Company performed the journey in 7 days, 22 hours, and 3 minutes, or say, 15 knots per hour. The City of Paris accomplished the voyage in 8 days and 4 hours, or say, 14 9-16 knots per hour. The Russia of the Cunard Line took 8 days, 6 hours, and 56 minutes, which gave a speed of 14½ knots. It may be said that he had picked out several model voyages. Admitted;

but who that was careful to note the passages of the White Star, Inman, Cunard, and National lines would not support him in the fact that average passages very little short of those which he quoted could be performed. There was nothing which assisted commerce, or tended so much to the advancement of a people as rapid interchange of communication; let the post follow as quickly as possible, and with the aid of her sister, the telegraph, lay before us the important details of what is being done in every branch of industry throughout the wide world. It was only the other day they were startled by the discovery of the telephone; another great wonder has been found in the phonograph: new inventions were of every day occurrence. They were therefore justified in asking for the benefit of all recent improvements, and the result must be a very material increase in speed. Never was there a more opportune time for shipowners undertaking such a contract; iron and labour were cheap, and excellent steamers could now be got at £14 to £15 per ton. It was stated that increased speed meant danger, and that it further meant additional subsidy. He had read the arguments advanced against the former, and a late writer in the Calcutta papers put forward as a reason the want of light-houses along the Red Sea. The Bombay commercial community were quite aware of the value of light-houses as the step which they recently took regarding one on Cape Guardafui testified; and he hoped they should soon see an increase in the number of light-houses along the Red Sea. But he denied that there could be any very great danger in this respect to vessels going 12 or 13 knots an hour, and he was strengthened in what he said by the opinions of shipmasters who had made the voyage. Regarding an increase in the subsidy—as the Southampton line was no longer necessary as a mail route (and the meeting seemed pretty unanimous on this subject)—a fair amount could be given for the Brindisi service, and the country would still save something on what it is at present paying. Vessels would always be ready to carry letters from the United Kingdom to India, as was now done on the Atlantic lines. Five years had been put down as too short a period for a company to undertake such a service as the one now before the meeting: he believed this figure was named with the view of their getting from time to time the benefit of all late improvements in steam navigation. They have done right in asking that any contract for the China and Australian mails should not be allowed to clog the important and rapid service required between Europe—and the gate of India—Bombay. The present discussion would prove of immense service to the authorities at home in making the new contract: so fair were their requests that they could not be gainsaid; rapid communication would be alike to the advantage of England and India, and let them trust that a new era in the history of maritime conveyance would begin in 1880, and that results would be achieved which Waghorn, who first interested himself in this mail service could not have dreamt of. (Loud Applause.)

The Resolution adopting the Memorial was then put to the meeting and carried unanimously.

The next resolution was moved by Mr. NANABHOY BYRAMJEE JEEJEEBHOY, who said,—Sir,—After the very able and elaborate

manner in which the experienced speakers who have preceded me have handled this important subject I shall not detain you long. In proposing the resolution, which has been entrusted to me, I shall only state that the interests which connect the inhabitants of this City and of the whole of British India with Great Britain are of such magnitude—think of them from whatever point of view, commercial, political, or social—that it is but reasonable for us to demand that the inter-communication between the two countries should be of the most complete efficiency. By the ten years' contract which will expire at the end of January 1880 the subsidy annually paid to the P. and O. Company for carrying the mails between this country and London was about Rs. 45 lacs, a sum of money which, to quote from Mr. Rathbones' speech in the House of Commons on the 14th August 1874 was "sufficient to pay the whole cost of a well managed undertaking, independent of passengers and cargoes." And yet the Postal Service performed in return for this enormously heavy subsidy sadly fails in the material element of rapidity. Gentlemen, it is a well-known fact that on the Atlantic lines of mail and passenger steamers the average speed is above 13½ knots an hour, while that which the P. and O. Company is required to maintain under the present contract is about 9 knots and hour, or only about two-thirds of the speed at which the mails are carried in other parts of the world by ocean steamers—a rate which may well be termed "crawling." Such a rate of speed may have been all very well a quarter of a century ago, but considering the numerous important improvements which have since been effected in steam machinery, which have secured a greater amount of working power, efficiency and economy in our marine engines, 9 knots an hour for so important a mail service may very properly be characterised as "simply a scandal to the age." (Hear, hear.) We know that it would not be at all impossible to deliver the English mails in this City in 14 days, but we are very moderate in our demands, and we say we shall be quite satisfied if we can get our letters regularly in 16 days from London. Even under the existing contract the well managed P. and O. Company has very often and very easily transmitted our mails in 18 days, and it very clearly appears from this that were it obligatory on them to still more accelerate the speed of their mail steamers, they could do it, and to a considerable degree. When the P. and O. Company in 1874 asked for certain concessions Her Majesty's Government admitted in the alterations they made in the original terms binding upon the Company that "the Contract was not sufficiently guarded in the interests of the public," and we have an undoubted right to expect—nay to demand—that the next Contract which they tie round the necks of the public and of the trade of this country as well as England will be more guarded and more fairly advantageous to both. (Applause.) Gentlemen, we have taken the subject in hand betimes, and in thus asserting the force of public opinion on the subject to-day, let us hope that the result of our agitation will be to secure for us the greatest possible speed, economy, and regularity in the transmission of our mails, for I have no doubt that the Local Government will very willingly acquiesce in the very reasonable prayer of our memorial, and that

the Government of India will be pleased to strongly back up our representation, and in the interests of the people of this vast Empire look to their own undeniable right and insist upon having a voice in the settlement in future of all Contracts for the performance of the Anglo-Indian Mail Service, (Applause.) I shall now read the resolution which is as follows:—"That a copy of the memorial to Her Majesty's Postmaster General and of the proceedings of this meeting, be forwarded through the Government of Bombay to the Government of India, with the respectful request of the inhabitants of this city that His Excellency the Viceroy in Council will be pleased to communicate the same to the Secretary of State for India, desiring him at the same time, in the interests of India, to urge Her Majesty's Government to grant the prayer of the memorial."

Mr. GRATTAN GEARY seconded the resolution. He said the attendance at the meeting was a guarantee that this was no sectional movement merely, and that the city really desired an improvement in the mail service. All the various communities of Bombay were unanimous in desiring an acceleration of speed in the carriage of the mails between England and India. There was nothing unreasonable in that desire, as Mr. Kittredge's admirable speech must have convinced every one who had previously had any doubt on the point. He (Mr. Geary) thought it would not be unreasonable to ask for a quicker carriage of the mails than 16 days. He had heard people say that on fixing 16 days the memorial named too liberal an allowance of time; but he had heard no one say that it was too short.

Mr. PHEROZESHAH M. MEHTA said—He had been asked to say a few words in support of the resolution; and few words they must be, particularly after the business-like speech of Mr. Kittredge full of his usual argumentative ability and bristling with facts and figures, which he apprehended, the advocate of the P. and O. Company's rate of speed would find rather hard nut to crack. (Hear, hear.) But they could also take a plain common sense view of the matter. It was urged by the advocate of the present rate that was enjoyed under the existing mail contract that it secured the highest speed that could be practically calculated upon with safety and certainty. The question they raised was of a somewhat technical character; but it could be decided in a satisfactory manner without resorting to technical argument. Test it by that most practical and conclusive of all tests—a free, fair, and open competition—and they were willing to abide by the result. (Hear, hear.) If it was possible to secure a higher rate of speed let the P. and O. Company advance with the times, or make way for those who could. If it was not possible no competitors would be forthcoming to oust it from the proud position which it now occupied. This was all that they really asked, and let them trust that both the Viceroy and the Secretary of State for India would zealously do their best for the country and the interests entrusted to their charge. (Hear, hear.)

Mr. GOCULDAS JUGMOHUNDAS said that the speakers who preceded him had so ably and exhaustively touched upon the different points in the memorial which had just been adopted, that there was

very little for him to add, in supporting the Resolution proposed by his friend, Mr. Nanabhoy. The prayer of the memorial was so modest and reasonable, that it would, without doubt, commend itself to the serious consideration of Her Majesty's Post Master General. It was very necessary in the interests of this vast Empire that postal communication between this country and the United Kingdom should be carried on with the greatest possible speed, and in order to attain that object, a more suitable opportunity than the present could not be found. Though the representation made in 1874 had not its effect felt at the time, owing, he believed, to the circumstance of the memorial then submitted not having unfortunately reached the House of Commons before the revised contract was ratified, yet it secured the sympathy and support of all intelligent bodies who were able to pronounce an expression of opinion on such an important subject, not only in this country, but China, Japan, and the United Kingdom. When the revised contract came before the House of Commons for consideration, Mr. Samuda, one of the members of that intelligent body, while supporting the terms of the revised contract, remarked that the representation made for the acceleration of the mail service was made in the interests of rival traders; but there could not have been a greater fallacy than such an assertion. It was a well known fact that since the American War, the people of this country were appreciating the advantages of speedy communication, and their intercourse with the United Kingdom had so much increased during the last fifteen years, that their interests demanded a speedier communication as was now proposed to be sought. Though, no doubt, quickness of communication was of great value to commercial interests, yet, as Mr. Maclean remarked in his speech on the same subject in 1874, nothing tended so much to quicken and invigorate the national life of a people as rapidity of communication with other countries. They may feel sure that in these days of competition, the terms proposed in their Memorial which, he had no doubt, would be supported by the local and the Imperial Governments and approved of by the Post Master General, would meet with a ready acceptance by intending tenderers for the contract for the mail service. In conclusion, he could not, he said, help remarking that they should be wanting in their duty if they did not acknowledge their obligations to the Bombay Chamber of Commerce for initiating this movement.

The Resolution was then put to the meeting and adopted.

Proposed by Mr. CHARLES MACDONALD, "That copies of the Memorial and of the Proceedings of this meeting be forwarded to the following gentlemen in London, and that they be invited to form themselves into a Committee to watch the interests of India in the arrangements and conditions of the new mail service. William Rathbone, Esq., M.P., of Messrs. Rathbone, Brothers & Co., London and Liverpool; Kirkman D. Hodgson, Esq., M.P., of Messrs. Baring Brothers & Co., London; Robert Wigram Crawford, Esq., of Messrs. Crawford, Colvin & Co., London; John Fleming, Esq., of Messrs. Smith, Fleming & Co., London; A. H. Campbell, Esq., of Messrs. Finlay, Campbell & Co., London; Stephen Ralli, Esq., of Messrs. Ralli Brothers, London;

Patrick Campbell, Esq., Chief Manager of the Oriental Bank Corporation, London; D. T. Robertson, Esq., Chief Manager of the Chartered Mercantile Bank of India, London and China, London; W. Graham, Esq., of Messrs. W. and R. Graham & Co., Liverpool; L. A. Wallace, Esq., of Messrs. Wallace Brothers, London; John Heugh, Esq., of Messrs. Heugh, Balfour and Co., Manchester; Andrew Grant, Esq., M. P.; J. H. Gwyther, Esq., Manager, Chartered Bank of India, Australia, and China, London; Robert Campbell, Esq., Manager, National Bank of India, London; with power to add to their number.

Mr. MOWAT seconded the motion which was carried unanimously.

The proceeding then closed with a vote of thanks to the Chairman.

No. 58 OF 1878.

CHAMBER OF COMMERCE, BOMBAY, *4th March* 1878.

The SECRETARY of the GENERAL POST OFFICE, London.

SIR,—I have the honour to forward to you for presentation to Her Majesty's Postmaster General the Memorial, adopted by the inhabitants of Bombay in Public Meeting assembled on the 1st of March, containing the views of the community as to the terms of the New Mail Service for India.

The views expressed in the Memorial are those which are held also by the Chamber of Commerce, who desire me respectfully to express their earnest hope that the same will commend themselves to His Lordship's favourable consideration.—I have, &c.,

W. LANG, Chairman.

No. 65 OF 1878.

CHAMBER OF COMMERCE, BOMBAY, *11th March* 1878.

The SECRETARY OF THE GENERAL POST OFFICE, London.

SIR,—In continuation of my letter of the 4th instant, I have now the honour to inform you, that I have this day despatched to your address by book post, six copies of the proceedings of the Public Meeting of the inhabitants of this city held on the 1st instant, and respectfully to solicit the attention of Her Majesty's Postmaster General to the same.—I have, &c.,

W. LANG, Chairman.

GENERAL POST OFFICE, LONDON, 29*th March* 1878.

W. LANG, Esq., Chamber of Commerce, Bombay.

SIR,—In acknowledging the receipt of your letter of the 4th instant, I beg leave to inform you that I have laid before the Postmaster General the Memorial addressed to His Lordship by the inhabitants of Bombay, in public meeting assembled, stating the views of the community as to the conditions which should be prescribed for the mail service between this country and India in any new contract which may be entered into, and I am directed to inform you that the suggestions of the memorialists shall receive due consideration.—I am, &c.,

WILLIAM. JAMES PAGE.

APPENDIX L.

THE LICENSE TAX.

PROCEEDINGS OF THE LEGISLATIVE DEPARTMENT, BOMBAY.

The following Extract from the Proceedings of the Governor of Bombay, in the Legislative Department, are published for general information :—

Abstract of the Proceedings of the Council of the Governor of Bombay, assembled for the purpose of making Laws and Regulations, under the provisions of "THE INDIAN COUNCILS ACT, 1861."

The Council met at Bombay on Tuesday, the 29th January 1878, at noon.

Present :

His Excellency the Hon'ble Sir Richard Temple, Bart., G.C.S.I., Governor of Bombay, *Presiding.*
His Excellency the Hon'ble Sir Charles Staveley, K.C.B.
The Hon'ble J. Gibbs.
The Hon'ble L. R. Ashburner, C.S.I.
The Hon'ble the Advocate General.
The Hon'ble E. W Ravenscroft, C.S.I.
The Hon'ble Rao Saheb Vishvanath Narayan Mandlik, C.S.I.
The Hon'ble Nacoda Mahomed Ali Rogay.
The Hon'ble Colonel W. C. Anderson.
The Hon'ble Walter Lang.
The Hon'ble Dosabhoy Framji, C.S.I.

Mr. Ashburner moves the First Reading of the Bombay License Bill.

The Hon'ble Mr. ASHBURNER moved the first reading of Bill No. 1 of 1878 (A Bill for the licensing of trades and dealings in the Presidency of Bombay). Mr. Ashburner said : Your Excellency and the honourable members of the Council are aware that during the last 20 years some of the most fertile and populous districts of India have been devastated by famine. The North-West Provinces have been visited by famine twice ; and Bengal has been visited twice, on one of which occasions the province of Orissa lost one-fourth of its inhabitants by famine. Rajputana has also had its famine, —in 1869 it lost an estimated number of a quarter of a million of inhabitants ; and last year Madras and the southern districts of Bombay were visited by a famine, the severity and extent of which were beyond anything of which we had any previous experience ; but owing to the energy with which it was met, the profuse expenditure of capital, the devotion of our public officers, and the charity of the public of England, the mortality was comparatively trifling. Experience has taught us to believe that famines are one of the ordinary incidents of administration to be provided for in India, but as omelettes are not to be obtained without breaking

eggs, neither can famines be combated without profuse expenditure of money. How to raise this money in a manner the least oppressive to the people has been the anxious consideration of Government for the last few months. After mature consideration it has been decided to raise it by re-establishing the taxes on trades which were abolished by Act XIX. of 1844, I think. This tax falls upon a class who, with the exception of a trifle contributed to the Customs and to Salt, actually pay nothing into the public treasury.—nothing for that security of life and property to which, in fact, they owe their prosperity. They are, therefore, very legitimate subjects for taxation. The tax will take the form of a license, but although the traders will be divided into classes according to their trades, there will be none of those inquisitorial proceedings which rendered the Income Tax so unpopular. The only approach to an inquiry will be at the instance of the trader himself, who, if he thinks he is over-assessed, can produce his books as evidence to show that the assessment exceeds 2 per cent. of his net earnings. With this exception there will be no inquiry whatever. The maximum of the tax will be Rs. 200 and the minimum Re. 1, subject to modification in the Select Committee. I may be expected to state how we propose to expend the money we shall raise by this tax. In reply I may refer to the able exposition of the policy of the Government of India which appears in Sir Andrew Clarke's speech before the Vice-regal Council, but I may summarise it by saying we propose to spend it in three ways,—in water-ways, in railways, and in road-ways. I apologise for the inadvertent pun. We do not propose to allow gentlemen who have what I may call "water on the brain" to ride their hobbies at our expense, but if they feel confidence in their schemes, we shall be prepared to listen to them and to give them every assistance and support in carrying them out. We, however, with this reservation, propose to push on works of irrigation and navigation wherever they are practicable. Experience has taught us that facilities for communication are all that is necessary to enable us to combat famines successfully. During the late famine it was found that wherever there were communications, that was quite sufficient. The ordinary operations of trade did all else that was necessary; the surplus food of one district was conveyed to the starving population of another with the utmost certainty and precision. With these observations, I beg to move that the Bill, which has been published in the *Government Gazette*, be read a first time.

The Hon'ble Mr LANG said—As I intend to vote against the first reading of this Bill, I desire to make a few remarks. Any legislation which has for its object the raising of taxation for the general benefit of the country at the expense of a portion of the community is, I think, unjust. The Statement of Objects and Reasons for the Bill, and the clause in the Bill which sets forth the purposes to which the funds raised by this taxation are to be applied, lay down that the application of such funds is for the mitigation and prevention of future famines. I can imagine no object for which all classes of the community should be more rightly called upon to contribute than this. Sir John Strachey, in

his attempt to prove that the burden for the object of this taxation should fall on the industrial classes of India, stated that the general prosperity of these classes in Bengal has been immensely increased by the late famine in Madras. I am not in a position to controvert that statement as regards Bengal, but as regards the Bombay Presidency and, I think, the Central Provinces, I believe a great deal of the benefit which has resulted from the enhanced prices of grain has been reaped by the cultivating or producing class (except, of course, in the famine area)—a class which it is not intended to touch by this new taxation. Almost throughout the great grain-exporting centres during the famine prices were very high, and in many cases they were much higher than in the famine districts, and the trading classes in consequence very frequently suffered severe losses in their ventures. They not only suffered losses in that respect, but they also suffered very considerable losses in consequence of the railways on this side of India being perfectly incapable of carrying their grain to the famine districts, except with a delay of weeks, and often months. I think, therefore, that the great benefits which are stated to have been so marked in Bengal from the late famine have not been realized in this presidency. Sir John Strachey appears to have argued that enhanced prices of food grains must necessarily mean enhanced profits to the trading classes, but I think that those best qualified to judge of these matters will admit that high prices of grain very often lead to heavy losses amongst the trading classes. High prices no doubt enrich the producer and some others, but I object to the conclusion that they must necessarily enrich the trading classes generally. Sir John Strachey also argued that because, in times of famine, very few priests, and schoolmasters, and lawyers, and people with fixed incomes, come on famine works, and because the poorer classes of traders and artizans do, therefore these independent classes should be exempted from contributing their fair share towards the alleviation and prevention of such distress in the future, and that the class which is immediately affected by famine, and the class which, according to Sir John Strachey, benefits so largely from famines, should alone bear the burden of this taxation. As I have already stated, there is no doubt that eventually the class which benefits most by famines is the producing class (except in the famine area); but if that class is already heavily taxed, it is no doubt perfectly fair to exempt them from further taxation. At the same time I consider that all other classes of the community, who are subjects of the same Government, and who alike share in the protection and advantages which accrue from that Government, should contribute alike, proportionately, their share to the general tax which it is found necessary to impose on the country. But even accepting the arguments of Sir John Strachey, I should like to know how the following tradesmen, &c., can profit by famines. These are mentioned in the schedule of the Bill introduced by Mr. Ashburner:—Companies registered under the Indian Companies Act of 1866; owners of cotton screws; persons keeping shops for the sale of European goods; hotel-keepers; wholesale dealers; dealers in precious stones; sugar-refiners; cloth-sellers; metal-vessel sellers; fuel sellers; letters out of conveyances and cattle; contractors; prin-

ters and publishers; manufacturers of lack; brokers; bill-brokers; dealers in gold and silver lace; druggists; harness-makers; and dealers in metals not being merely artizans. I say, without any hesitation, that all these occupations and trades, instead of profiting by famine, lose immensely by it. The only people mentioned in the schedule, then, even according to the argument of Sir John Strachey, who *can* profit by famines, are bankers, professional money-lenders, commission agents, pawn-brokers, and money-changers. Are these people alone to be taxed for the benefit of the country? Even although a dealer in grain may profit by a famine, there is no reason why a dealer in precious stones should profit by a famine also. The argument used on this point appears to me to be very much this,—that, supposing England was involved in a war, and a number of contractors made a vast sum of money out of Government in consequence of taking up war contracts, Government should, therefore, afterwards say to them, "It is necessary for us to raise extra taxation for the increase of our army, and as you have made large profits out of your war contracts it is our intention to tax, not only you, but every one in the country who calls himself a contractor." If there is any one industry in Bombay which is at present in great straits, it is that of the cotton presses. They are already taxed for the Cotton Frauds Department and for the Boiler Inspection Department, and a great many of the companies are at present considering how they can best dispose of their property, even at a ruinous loss, and so close their works. And yet these cotton presses are amongst the objects specially singled out for this new taxation, while the professional classes of the country, who, we all know, enjoy the largest incomes and the greatest prosperity, are entirely exempted. On these grounds, therefore, and on the ground that the Bill is opposed to all equitable principles of taxation, I shall oppose the first reading. On the other hand, I shall be very happy to support any measure that may be introduced, whereby all classes of the community alike may be taxed for the objects of this Bill, admitting, as we all must, that the raising of funds for the mitigation and prevention of famines is a necessity.

The Hon'ble Mr. MANDLIK—I think that persons coming under Class III. in the schedule of this Bill are already so heavily taxed by the last Salt Act, that I think, especially during the next two or three years, it would be very inadvisable to tax them further for any purposes whatever. With regard to the remaining classes, I agree generally with what the Honourable Mr. Lang has said, and it is unnecessary for me, after his speech, to explain my views further.

The Hon'ble Mr. ROGAY—As the introduction of this License Tax Bill into the local Council invite criticism on the financial policy of the Government of India, I will, with your Excellency's permission, offer a few remarks on the general policy of the Government of India, as well as on the question of advisability of passing this special legislative enactment in this presidency. Sir John Strachey, in his speech, stated that it would have been very light work for him if retrenchment were possible in the civil administration of the country, and he challenged any

one to show any branch of the service where retrenchments were possible without detracting from the efficiency of the service. To frame a regular reply to this challenge a great deal of information would be necessary, which is not readily obtainable; but I think a general reply will be quite enough to show that retrenchment and reduction can be made if it is the policy of the Government to do it, that is to say, by not creating new offices further than is absolutely necessary. Honourable members are aware that we had two Revenue Commissioners in the Presidency of Bombay and a third one has been appointed. If economy had been the policy of Government, they would not have been justified in creating in such a financial year a third Revenue Commissionership, which means £5,000 a year additional expenditure from the revenues of India. I hope Government will lose no opportunity of retrenching and remodelling in all their departments with a view to bringing about a financial equilibrium. To bring about a financial equilibrium we must resort, in the first place, to additional taxation. It is the duty of every Government to reduce its public expenditure, and when it finds that it cannot in this way meet the difficulty before it, in that case alone it is justified in resorting to additional taxation. This year being of an exceptional character, I would not object to pay my quota towards famine expenditure. I think that every one of us ought to be thankful to the English nation in general, who contributed so generously to the relief of our poor countrymen, and to the Anglo-Indians who, as trustees of this vast Empire, tried their best to mitigate the sufferings of the people. The License Tax proposed to be levied by this Bill touches the pockets of certain classes of persons, but leaves Government servants and some others who enjoy equal protection and prosperity under the rule of our Gracious Sovereign without their pockets being touched at all. The principle of such a tax should be that every subject of Her Majesty in India should contribute to the support of the relief measures taken by Government and to meet the financial difficulty brought about by the periodical visitations of famine in India. A License Tax in that case on the same principle as that of 1867 would be a far better kind of tax than the one now proposed. That touched the pockets of all classes without subjecting them to inquisitorial proceedings as was the case with the Income Tax. This License Tax now proposed would affect the third class of traders, &c., named in the schedule very injuriously. Taking the average income of persons of this class as Rs. 100, they will be called on to pay Rs. 5, or 5 per cent., of their income, which is more than the last Income Tax amounted to. The application of the License Tax to people, especially poor classes of people, who are already contributing their quota to the famine expenditure by paying a higher salt tax, will make it a double impost. I should be happy to see a tax on incomes above a certain amount introduced throughout India. To call on people to pay their share by way of an income tax would be the most equitable form of taxation, with all its disadvantages. It is necessary in certain cases of national calamity to submit to such disadvantages. The Local Governments, by Sir John Strachey's policy, are to be entrusted with powers for reduction of expenditure as well as for

the collection of revenue, and for providing means for protecting the people against famine. Sir John Strachey says :—

> "When I endeavoured to explain to the Council nine months ago the measures taken by the Government at the beginning of the present financial year, I pointed out that the essential principles underlying the whole of the changes of system then made were these: we asserted the necessity of enforcing, so far as this was practicable, the responsibility of every great province of the Empire for meeting its own local wants; we gave to the Local Governments largely increased powers; we gave them, for the first time, a direct interest in the development of the revenues; and we gave them, at the same time, strong incentives to economy. And among the responsibilities thus transferred to the Local Government, we included one, perhaps the greatest and the most important of all, that of providing the means of protecting the people of their own provinces against famine, and of meeting, to the full extent of what was possible, the cost of relief when famine actually occurred. To this policy we firmly adhere. It has received the cordial approval of Her Majesty's Government in its main outlines, and through its extension and development it is that we propose to apply the measures we now contemplate."

That being so, and the responsibilities of the Local Governments being increased by the Government of India, I think there ought to be some provision by which the surplus which will be available from the imposition of this License Tax, or any other tax which may be imposed, may be devoted to the purposes mentioned. As our responsibilities are increased, we ought to have sufficient funds to enable us to meet those responsibilities. But section 22 of the Bill says:—"The amount so credited shall be applied, in such manner as the Governor General in Council thinks fit, for the purpose of defraying expenditure incurred or to be incurred for the relief and prevention of famine in any of the territories administered by the said Government, or, if the Governor General in Council so directs, in any other part of British India." I now come to the question of the exemption of Government servants. No one can deny that the Government servants suffer on account of the high prices which rule in times of famine, but other classes of persons suffer proportionately, and I do not see any reason for exempting officials when the poorest classes of people are called upon to contribute to famine expenditure. I am opposed to this Bill as it stands, because it does not bring all classes under its operation, and it will press more harshly on the poor than on the rich.

On the motion being put to the vote, it was carried by 7 to 3, the order of voting being :—

Ayes.	*Noes.*
His Excellency Sir Charles Staveley.	The Hon'ble Mr. Mandlik.
The Hon'ble Mr. Gibbs.	The Hon'ble Mr. Rogay.
The Hon'ble Mr. Ashburner.	The Hon'ble Mr. Lang.
The Hon'ble the Advocate General.	
The Hon'ble Mr. Ravenscroft.	
The Hon'ble Colonel Anderson.	
The Hon'ble Mr. Dosabhoy Framji.	

The Bill was accordingly read a first time and on the motion of the Honourable Mr. Ashburner, a Select Committee, consisting of the Honourable Mr. Gibbs, the Honourable Mr. Lang, the Honourable Mr. Ravenscroft, the Honourable Mr. Dosabhoy Framji, and the Mover, was appointed to consider the Bill, with instructions to report by Friday, the 1st February.

The Bill read a first time and referred to a Select Committee.

His Excellency the President then adjourned the Council till Friday, the 8th February.

By order of His Excellency the Honourable the Governor in Council,

JOHN NUGENT,
Under-Secretary to Government.

Bombay Castle, 29th January 1878.

BOMBAY ACT NO. III. OF 1878.

An Act for the licensing of Trades, Dealings and Industries in the Presidency of Bombay.

WHEREAS, in order to provide means for defraying the public expenditure from time to time incurred and to be incurred for the relief and prevention of famine, it is necessary to effect a permanent increase of the provincial revenue; and it is therefore expedient that persons carrying on trades, dealings and industries in the Presidency of Bombay should take out licenses and pay for the same; it is hereby enacted as follows:—

Preamble.

Preliminary.

Short title.

1. This Act may be called "The Bombay License Act, 1878."

Extent.

It extends to the whole of the Presidency of Bombay; but nothing herein contained applies to persons earning their livelihood solely by agriculture.

"Collector" defined.

2. In this Act "Collector" means the chief officer in charge of the revenue-administration of a district, and in the city of Bombay, the Collector of Bombay.

Licenses.

Annual licenses to be taken out.

3. Every person who, on or after the first day of April 1878, falls under any one or more of the heads specified in the Schedule A, and carries on (whether on behalf of himself or any other person) his trade, dealing or industry shall take out a license under this Act, and shall pay for the same the annual fee mentioned in Schedule B as payable by persons of the class to which he shall be determined under the provisions hereinafter contained to belong: Provided that no person shall be required to take out more than one license or to pay more than one fee annually.

4. Every license under this Act shall be granted by the Collector of the district or place in which the person requiring such license carries on his trade, dealing or industry: provided that, if such person carries on such trade, dealing or industry in more than one district or place, the license shall be granted by the Collector of the district or place in which his principal place of business is situate.

Officer to grant license.

Government shall have power to declare, in cases of doubts, what shall for the purposes of this Act be deemed to be such principal place of business.

5. The Collector shall, from time to time, determine under which of the classes mentioned in Schedule B every person to whom a license may be granted by him as aforesaid shall be charged.

Collector to determine class under which licensee is to be charged.

6. Every such license shall specify—

Particulars to be specified in the license.

(*a*) the date of the grant thereof;

(*b*) the name, father's name, caste (or in the case of a firm, the name under which such firm carries on its trade, dealings or industry) and the trade, dealing or industry of the person to whom the license is granted;

(*c*) the class to which such person belongs;

(*d*) the fee paid for the license;

(*e*) the place or places where such person intends to carry on his trade, dealing or industry for the ensuing year; and

(*f*) the term for which the license shall remain in force,

and, shall be received in evidence as *primâ facie* proof of all matters contained therein.

7. Every such license shall have effect and continue in force from the day of the date thereof till the first day of January next after the date of the grant thereof.

Commencement and expiration of license.

8. Every person to whom any such license has been granted, and who desires to continue to carry on his trade, dealing or industry after the expiration thereof, shall take out a fresh license for that purpose, for the following year, to expire on the day appointed in the last preceding section, and shall renew the same from year to year so long as he desires to continue to carry on such trade, dealing or industry.

Renewal of license.

List of Persons to be licensed.

9. As soon as may be after the first day of April 1878 and the first day of January in every subsequent year, the Collector shall prepare a list of the persons to be licensed under this Act in the district or place under his jurisdiction. Such list shall state—

Collector to prepare annual list of licensees.

(*a*) the trade, dealing or industry of each of the persons therein named;

(*b*) the class under which he is charged; and

(*c*) the fee to be paid for his license.

Such list shall be in such language as Government may direct, but a copy or translation thereof in the language of the district, shall be filed in the office of the Collector, and shall be open to public inspection at all reasonable times without any payment.

The Collector may, if he thinks fit, instead of preparing a fresh list each year, amend the previous year's list, which shall then be taken to be the list for the new year.

Publication of list and notification.

10. The list or such part or parts thereof as the Collector thinks fit shall be published in the principal bazaars, and at all police stations of all towns and at some conspicuous place in all villages concerned, together with a notification that if any person mentioned in such list continues his trade, dealing or industry, he must pay the amount specified in the list as payable by him and take out a license in the year 1878 within thirty days of such publication in that year and within thirty days next after the first day of January in each succeeding year, and that if any person not mentioned in such list who falls under any of the heads specified in Schedule A continues his trade, dealing or industry he must apply to the Collector for a license within the said period, and in the event of his failing so to do, will be liable to the penalty prescribed in Section fifteen.

Hearing of Objections.

Petition of objector.

11. Any person objecting to the class under which he is charged may, within thirty days after such publication or within such further time as the Collector may in each case think fit, apply by petition to the Collector in order to establish his right to have his name transferred to another class, or altogether omitted from the list.

Hearing of petition.

12. The Collector shall fix a day for the hearing of the petition, and on the day so fixed, or on such subsequent day as he may from time to time direct, shall hear the same and pass such order thereon as he thinks fit:

Provided that if, in his judgment, the petitioner is able to show that the fee which has been charged exceeds two per cent. upon his annual net earnings he shall transfer his name to another class, or direct, that it be altogether omitted from the list, as shall appear to him necessary.

Collector may summon witnesses, &c.

13. For the purpose of enabling him to determine under which class a petitioner should be charged, the Collector may summon and enforce the attendance of witnesses and compel them to give evidence, and compel the production of documents by the same means and as far as possible in the same manner as is provided in the case of a Civil Court by the Code of Civil Procedure:

Provided that the Collector shall not call for any evidence except at the instance of the petitioner, or in order to ascertain the correctness of facts alleged by him.

Power to remit fee.

14. Subject to the general orders of Government, the Collector may in his discretion remit the whole or any part of the fee payable under this Act by any person who has carried on his trade, dealing or industry for a portion of the year only.

Penalties.

Penalty for carrying on business without a license.

15. If, after expiry of the period mentioned in the notification published under section ten, any person who falls under any of the heads specified in Schedule A carries on his trade, dealing or industry without having applied for or taken out a license he shall be liable, by order of the Collector, to pay a fine not exceeding thrice the amount payable by him in respect of such license, exclusive of the amount so payable; and on receipt of such payment the Collector shall grant him a license.

All sums due under this section and all fees payable under this Act shall be recoverable as if they were arrears of land-revenue.

Penalty for not producing license on demand.

16. Every person required by this Act to take out a license who without reasonable excuse neglects or refuses to produce and show his license when required so to do by an officer generally or especially empowered in writing by the Collector to make such requisition, and

Every owner or occupier of a house or shop who without reasonable excuse fails to forward a statement to the Collector when required so to do under Section 22,

Shall, on conviction before a Magistrate, be punished for each such offence with fine which may extend to one hundred rupees.

Prosecution to be at instance of Collector.

But no person shall be proceeded against for any such neglect, refusal or failure, except at the instance of the Collector.

Miscellaneous

Receivers and managers chargeable.

17. Receivers and managers appointed by any Court in British India shall be chargeable under this Act in respect of any trade, dealing or industry of which the income is officially in their possession or under their control.

Power to retain assessment paid by trustee, &c.

18. When any trustee, guardian, administrator, curator, committee or agent is charged under this Act in such capacity, or when any receiver or manager appointed by any Court is charged under this Act, every person so charged may, from time to time, out of the money coming to his possession as such trustee, guardian, administrator, curator, committee or agent, or as such receiver or manager, retain so much as is sufficient to pay the fee charged.

Every such person is hereby indemnified for every retention and payment made in pursuance of this Act.

Disposal of fees and penalties.

19. All fees and penalties paid or recovered under this Act shall be carried to the credit of the Government of Bombay.

The net amount so credited shall be applied, in such manner as the Governor General in Council thinks fit, for the purpose of defraying expenditure incurred or to be incurred for the relief and prevention of famine in any of the territories administered by the said Government, or, if the Governor General in Council so directs, in any other part of British India.

Powers of Collector under Act may be exercised by other officers.

20. All or any of the powers and duties conferred and imposed by this Act on a Collector may, subject to the orders of the Collector, be exercised and performed by an Assistant or Deputy Collector, or by a Mamlatdar or Mahalkari, or such other officer as Government from time to time appoints in this behalf.

Municipal Commissioner of Bombay to be a Collector for certain purposes.

In the city of Bombay the Municipal Commissioner shall, so far as regards letters out of conveyances, horses or cattle and owners of conveyances, horses or cattle plying for hire in the said city, exercise all the powers and perform all the duties of the Collector under this Act; and shall pay to Government the annual net proceeds of the fees so levied by him; provided that in the case of all such persons in the said city it shall not be necessary to publish a list or notification as required by section ten, and that the fees payable by them may be recovered by the Municipal Commissioner at the same time or times and in the same manner as any tax payable by them to the Municipality is recovered.

Obligation to furnish information to Collector.

21. Every person shall be legally bound to furnish information to any officer exercising any of the powers of a Collector under this Act when required by him to do so.

Collector may require list of persons in any house or shop.

22. The Collector may, by a notice in writing, require the owner or occupier of any house or shop to forward to him a statement in writing signed by such owner or occupier of the names of all persons residing in such house or working or having any concern in such shop at the date of the notice and of their respective callings or occupations.

No appeal from Collector's order.

23. No order passed by a Collector under this Act shall be open to appeal.

Power to exempt and make rules.

24. Government may from time to time,

(*a*) exempt any local area, or any persons or class of persons, from the operation of this Act;

(*b*) exempt from the operation of this Act any persons whose respective net annual earnings are less than such sum as Government may, from time to time, direct in this behalf;

(*c*) make rules consistent with this Act, (1) for defining more precisely the classes of persons named in Schedule A as liable under this Act; (2) for regulating the time and manner of collect-

ing the fees charged under this Act; (3) for providing in any case or class of cases for serving notices on persons charged under this Act; (4) for modifying the fees chargeable to members of the same family when living and working together; and (5) generally for the guidance of officers in matters connected with the enforcement of this Act.

SCHEDULE A.

(See Section 3.)

Persons required to take out Licenses under this Act.

Companies registered under the Indian Companies Act, 1866.
Bankers.
Commission Agents.
Brokers.
Manufacturers.
Contractors.
Hotel-keepers.
Money-changers.
Ship or boat-owners.
Letters out of conveyances, horses, or cattle.
Owners of conveyances, horses or cattle, plying for hire.
And all persons carrying on trades, dealings, or industries of any kind whatsoever.

SCHEDULE B.

(See Section 3.)

Fees payable by persons required to take out Licenses under this Act.

Class	I. Rs. 200	Class	IX. Rs. 20
,,	II. ,, 150	,,	X. ,, 15
,,	III. ,, 100	,,	XI. ,, 10
,,	IV. ,, 80	,,	XII. ,, 7
,,	V. ,, 60	,,	XIII. ,, 5
,,	VI. ,, 40	,,	XIV. ,, 3
,,	VII. ,, 30	,,	XV. ,, 2
,,	VIII. ,, 25		

By order of His Excellency the Hon'ble the Governor in Council,

JOHN NUGENT,
Under-Secretary to Government.

Bombay Castle, 18th March 1878.

PROCEEDINGS OF THE PUBLIC MEETING OF THE INHABITANTS OF BOMBAY TO PROTEST AGAINST THE TRADES LICENSE TAX, AND TO APPEAL TO ENGLAND THAT THE NON-OFFICIAL COMMUNITY OF INDIA MAY BE MORE LIBERALLY REPRESENTED IN LEGISLATION, HELD IN WILSON'S GREAT WORLD CIRCUS, ESPLANADE, ON TUESDAY, 19TH FEBRUARY 1878.

ON Tuesday (Feb. 19), the inhabitants of Bombay having been refused by Sir Richard Temple's Government the use of the Town Hall, a public meeting was held in Wilson's Great World Circus to adopt a Memorial to the House of Commons on the subject of

the Trades License Tax and the manner in which legislation is conducted in India. The vast arena, which is capable of holding between three and four thousand people, was crowded ; many natives were compelled to stand on narrow ledges at the edge of the Circus, and at times it even appeared probable that some accident would happen. The auditorium was filled almost exclusively by natives, although at the main door a number of European gentlemen had taken up their position. The actual arena in which the circus performances usually take place was carpeted, and occupied by an influential gathering of the most notable men in the European and native non-official community. In front of the door through which Mr. Wilson's equestrians are wont to bound, a small platform was erected from which the various speakers addressed the great assemblage before them. Like all public meetings in Bombay, Tuesday's was exceedingly picturesque, alike from the variety of costumes and the rich variety of colour represented in the various head-dresses. A circle of flags of all nation suspended round the roof of the Circus heightened the beauty of the scene. The meeting throughout was of an exceedingly enthusiastic description. Several of the speakers indulged in the most delightful free-hitting, and when one of them with happy audacity dared to conclude his vigorous oration with a telling quotation from the New Testament, his listeners cheered him for several minutes with tremendous vigour. The enthusiasm which characterised the meeting was singularly marked when the various resolutions were put forward for acceptance or rejection. The Chairman had no sooner asked whether the resolution in hand was agreed to than a deep chorus of thousands of voices cried, "Yes, yes!" and in like manner, when he asked whether any one opposed it, the crowd shouted the negative answer and crowned it with hearty cheers. Mr. Hamilton Maxwell, the Sheriff, occupied the platform, and when he had transacted the usual formal business the real business of the meeting commenced. We append a full report of the proceedings. Among those present in the arena we observed—The Hon. W. Lang, the Hon. Mahomed Ali Rogay, the Hon. V. N. Mandlik, Mr. Donald Graham, Captain Kellock, Mr. Morrison, Mr. Sedgwick, Mr. P. Robertson, Mr. Thornburn, Mr. Cormack, Mr. Latham, Mr. G. P. Robinson, Captain Dixon, Mr. Tennent, Mr. Miller, Mr. Jones, Mr. C. Macdonald, Mr. Dickson, Mr. J. M. Maclean, Mr. F. Mathew, Mr. Kittredge, Mr. Kirkham, Mr. Bythell, Mr. Grattan Geary, Mr. Thomas Lidbetter, Mr. Mowat, Mr. M. McPherson, Mr. Rowland, Mr. H. Curwen, Mr. Pearse, Mr. Martin Wood, Mr. N Randle, Mr. D. S. Kemp, Mr. Van Der Straaten, Mr. Moraijee Goculdass, Mr. Vurjeewandas Madhowdas, Mr. Cumroodeen Tyabjee, Mr. Nowrojee Furdoonjee, Mr. Rugoonath Narayen Khote, Mr. Nanabhoy Byramjee Jeejeebhoy, Mr. Rahimtoola M. Sayani, Mr. Andrew Hay, Mr. Tapidass Vurjdass, Mr. Bhagwandass Pursotumdass, Mr. Goculdass Jugmohandass, Mr. John Marshall, Mr. Henry Forman, Mr. J. Gordon, Mr. Luckmidass Khimjee, Mr. Muncherjee Nowrojee Banajee, Mr. Sorabjee Framjee, Mr. Javerilal Oomiashanker, Mr. Byramjee Nusserwanjee Servai, Mr. Cashinath Trimbuck Telang, Mr. Khunderrao Morojee, Mr. Bhaishanker Nanabhoy, Mr. Soorajbhai Oodeyram,

Mr. K. R. Cama, Mr. P. M. Mehta, Mr. Ahmedbhoy Hubbibhoy, Mr. Bald, Mr. Bushby, Mr. G. K. Remington, Mr. J. Stacey, Mr. Thorpe, Mr. S. Zotell, and Mr. Bomonjee Pestonjee Master.

The Sheriff, Mr. Hamilton Maxwell, having declared the Meeting duly convened,

Mr. Nanabhoy Byramjee Jeejeebhoy proposed, seconded by Mr. Vurjeewandas Madhowdass, that Mr. Donald Graham be requested to take the chair.

The CHAIRMAN said—Gentlemen, I feel highly honoured at being asked to take the chair on this occasion. I was only told a short time before the meeting commenced that I should be asked to do so, and I am not as well prepared as I should like to have been. I must therefore ask you to look leniently on my shortcomings. I think, however, that the objects of this meeting are so well known that there is little for me to say. You are all aware of the cause of the new taxation, and of the manner in which the Bills legalizing it have been passed by the Legislative Councils. I am sure I am correct in saying that the policy of the Government of India in creating a sinking fund to provide against future famine expenditure is one which has earned universal approval, and I am sure also that every person in this great meeting is ready and willing to contribute his share to that fund. But what we can hardly acquiesce in is that a great national fund of this kind, for a great national purpose, should be raised entirely from the trading classes. The Government of India in making a distinction between the trading classes and other classes have gone on the principle that, during famines, the trading classes make profits out of the high prices, and that on the other hand, the official classes and those with fixed incomes are sufferers by them. Gentlemen, I do not think I need say to you, most of whom are engaged in trade, that that idea is a perfect fallacy. It has also been said on behalf of this taxation, that it would be most unfair to tax the Civil Service, because a great many of that service were engaged, at great personal sacrifice, in working in the famine districts; but, gentlemen, I think the answer to that is that if these officers were engaged in this hard work, as we all admit they were, they might have received compensation for it (hear, hear), and it is no argument to say that because they were so engaged, therefore all the Civil Service, not only this year but in future years, should be exempt from this tax. (Hear, hear, and applause.) Gentlemen, there is another matter which we must consider, and that is the increase in the Salt Tax. I am sure we must all regret that it has been thought necessary to increase this tax, which already pressed severely on the poorer classes. The tax is now raised to what is equivalent to half an anna a pound, and to up-country consumers that must be greatly enhanced by the cost of carriage and other charges, while as regards the coasting villages, I have been told by men who are acquainted with the subject that great loss is caused by the villagers being unable, by reason of the heavy price of salt, to preserve the fish of which our seas here afford such an abundant supply. When we think of the enormous trade carried on in preserved fish in other maritime countries, we can easily understand that in this manner the country

may suffer a great loss. (Hear, hear.) And now, gentlemen, there is only one other point to which I would allude. Many of you are perhaps surprised at our meeting in this place. As far as the place itself is concerned, I think we could not possibly have done better. (Hear, hear.) We are indebted to the proprietors of this magnificent tent for its use, and I am sure we may congratulate ourselves on the opportunity which has given it to us. (Hear, hear.) But, gentlemen, we must feel that an appropriate place for a meeting of this kind would have been the Town Hall of the city. (Applause.) I am sorry to say that the local Government have made the very great mistake of refusing to allow the Town Hall to be used for the discussion of this question, and have thereby laid themselves open to the charge of trying to stifle public discussion. (Hear, hear.) I do not think that has been the real reason; I think there must be some misunderstanding about it; but however it may be, it is a pity that the act is laid open to such a construction. Gentlemen, I do not think I need detain you longer, and I will now call upon Mr. Maclean to move the first resolution. (Applause.)

Mr. J. M. Maclean—Mr. Chairman and Gentlemen, I have to propose to you the adoption of the petition to the House of Commons which will now be read to you by Mr. Lidbetter.

Mr. Lidbetter then read the following Memorial :—

To the Hon'ble the Commons of the United Kingdom in Parliament Assembled.

The humble Petition of the Inhabitants of the City of Bombay, in the East Indies,

SHEWETH,—That on Dec. 27, 1877, Sir John Strachey, the Finance Minister of the Government of India, at a meeting of the Viceroy's Legislative Council, made a statement declaring the necessity of creating a permanent National Insurance Fund for the prevention or mitigation of Famines in India, and announced that, as the ordinary revenue barely covered the ordinary expenditure, the Government of India had no alternative but to impose fresh taxation in order to provide the means of meeting this Famine charge, which has been fixed at £1,500,000 a year.

That, in pursuance of this policy, the duty levied on salt in the Presidency of Bombay has been raised from one rupee thirteen annas to two rupees eight annas a maund, and a Bill has been passed by the local Legislative Council requiring all persons and companies carrying on trades, dealings, or industries of any kind whatsoever in the Presidency of Bombay to pay fees varying in amount from Rs. 2 to Rs. 200, according to the classes to which they are respectively adjudged to belong, for licenses entitling them to carry on their business.

That your petitioners, having in view the frequency of Indian Famines, recognize the wisdom of the proposal to meet the charges incident to such calamities out of the annual revenue of the country rather than by borrowing money, though it has caused them considerable uneasiness to observe that the Finance Minister refuses to give a distinct pledge that the produce of the new taxes shall be applied exclusively either to the extinction of Famine

debt already existing or the construction of works specially designed to avert Famines, and shall not be alienated to any other purpose. But, while admitting that fresh taxation is expedient, and cheerfully accepting their own liability to bear a share of the burden, your petitioners respectfully maintain that the particular taxes sanctioned by the Government of India are highly objectionable.

That successive additions have been made at short intervals to the duty on salt in the Bombay Presidency, till it is now five times as heavy as it was forty years ago. The pretext for the most recent increase is, that the Government of India intends hereafter to reduce the duty on salt all over the country to a uniform rate of Rs. 2-8 a maund; but in the present state of India's finances it is exceedingly improbable that the time for effecting this reduction will soon arrive; and meanwhile no more inopportune season could be found for increasing the price of salt in Bombay and Madras than one in which the population of Western and Southern India are struggling to emerge from a state of great privation, and are suffering much distress in consequence of the abnormally high prices of most of the necessaries of life. It is not only the actual increase of duty that is added to the price of salt, for the cost to the consumer has been raised, since the new tax came into force, by fully 50 per cent., though the additional duty amounts to only 35 per cent.

That your petitioners believe that the land in India already pays more than its just share of taxation, and are of opinion that those classes of the population whose incomes are derived from other than agricultural sources may fairly be asked to supply the required increase in the revenue of the State. A License Tax is in itself a less unpopular measure than what H. E. the Viceroy of India calls "the hated Income Tax;" and if, as in 1867, it were imposed equally on all the non-agricultural classes, it would probably yield a sufficient revenue to enable the Government to remit the new duty on salt.

That your petitioners, however, regret to say the License Tax Bill passed in Bombay is not only faulty in details, but odious in principle. It strikes too low, for all persons engaged in trade are made liable to it; and, though a provision of Clause 28 allows the Government to "exempt from the operation of the Act any persons whose respective net earnings are less than such sum as Government may, from time to time, direct in this behalf," it would be better to fix a limit below which incomes should not be taxed than to leave such a power of varying taxation in the hands of the Executive Government. In Bengal the limit has been fixed at Rs. 100, but it is respectfully submitted that incomes below Rs. 400 a year should be exempted, for otherwise the tax would fall on hawkers and other petty traders who earn only a precarious living and upon many small farmers and thrifty labourers who contrive to do a little trade in the produce of their districts. The minimum fee, again, should not exceed one rupee. The present proposal to take Rs. 2 from each person having an income of Rs. 100 a year makes the tax on the poorest class equivalent to a 2 per cent. income tax, which is a very high rate. The maximum fee, on the other hand, might well be increased above Rs. 200, which is

only 1 per cent. on an income of Rs. 20,000, and ½ per cent. on an income of Rs. 40,000 a year. But the feature of the tax which is especially obnoxious is the exemption from its operation of all persons who have fixed incomes, and of the professional classes, including barristers, solicitors, and doctors. In his financial statement Sir John Strachey argued that "agriculture, trade, and the industrial arts have alike benefitted" by the high prices caused by last year's Famine, while persons with fixed incomes have suffered from them, and that therefore "the obligation of providing for the relief of Famine should fall as lightly as possible on the latter class, and indeed on the professional classes generally." This argument involves the fallacy that high prices mean large profits, and as regards Bombay so far was it from being the case that trade prospered last year, that the Government has lately in an official despatch taken credit to itself for having deliberately sacrificed the export trade of this Presidency for several months in order that all the carrying power of the Great Indian Peninsula Railway might be appropriated to the use of the Famine-stricken districts of the Deccan. His Excellency the Viceroy, in his final speech on the financial statement, delivered on Saturday, Feb. 9, enforced the claim for the exemption of the official and professional classes in these terms:—

"I will not dwell upon the fact that the continued depreciation in the exchangeable value of silver has already very grievously reduced the incomes of those Government servants who, during the past two years, have been so nobly labouring (many of them at a great sacrifice of health; some of them at the sacrifice of their lives; all of them with a prolonged sacrifice of personal comfort) in aiding the Government to preserve the lives of its subjects from famine. I will not pause to ask whether a further deduction from their pay would be the State's fitting reward to its brave soldiers in that great campaign against so formidable an invader. But, of course, had we decided to tax official incomes, we could not possibly have exempted from taxation professional incomes of all kinds; and, if taxation were extended to professional incomes, where could the extension of it be stayed? At what further point could we have legitimately limited our application or the principle under which income was taxed? There is no conceivable form, or source, of income, whether derived from land, commerce, investments in public securities, the profits of literature, science, industry, or anything else, which could, in that case, be fairly exempted from taxation. And thus we should be brought—inexorably brought—to what is really the only practical alternative to our present measures—the revival of the hated income tax."

It is, therefore, broadly asserted that the official class should be exempted from taxation as a reward for having done their duty during the Famine, and to compensate them for the depreciation in silver, and that professional incomes should share this exemption because the Government of India does not like to encounter the unpopularity of making professional men contribute a just percentage of their incomes towards the support of the State.

That your petitioners most earnestly protest against the invidi-

ousness of legislation which seeks to establish the dangerous precedent that the official class, who make the laws in India, and who have already far too little in common with the non-official classes, European and Native, subjected to their rule, are justified in exempting themselves from a tax which is levied for a national purpose, and which should be paid in equal proportion by all classes of the nation.

That in no other country in the world are the incomes of the official class fixed on so high a scale, in proportion to the profits of trade, as in India; while lawyers and doctors, make fortunes much more rapidly as a rule, in this country, than merchants do; and any loss these classes may have suffered by the depreciation of silver, the effects of which are not felt by them alone, have been more than made good to them by the extraordinary reduction in the prices of all articles imported from Europe which has been going on since the date of the opening of the Suez Canal.

That there can be no more difficulty, as was shown by the working of the License Tax of 1867, which applied to Government servants and professional men as well as to traders, in making a Member of Council, a Judge, a Collector, a Doctor, or a Barrister-at-law take out a license to exercise his calling, than in compelling a banker or a shopkeeper to do so, and that therefore the Viceroy's argument that the License Tax in its present shape is the only alternative to the Income Tax is quite unfounded.

That your petitioners a fortnight ago addressed a letter to the Government of Bombay, praying that the Bill might not be passed till the inhabitants of Bombay had had the opportunity of expressing at a public meeting their dissatisfaction with it; but this reasonable request was refused, on the ground that it was necessary the collection of the License Tax should begin from the 1st of April, and the Bill was hurried through the local Council almost without discussion, the non-official members vainly protesting and being outvoted by the official majority: and the local Government has since refused the use of the Town Hall for a public meeting to discuss the Bill.

That, consequently, the Government of India seems to have remained in ignorance of the discontent the Famine taxation had excited in this Presidency; and H. E. the Viceroy, on the 9th inst., spoke of Sir John Strachey's measures as having been "discussed generously and received favourably by all classes of the community," a statement which conveys a most inaccurate representation of the real reception given to those measures by the taxpayers generally.

Wherefore your petitioners humbly pray that your Honourable House will be pleased to recommend Her Majesty's Secretary of State for India to withhold his sanction to the measures of Famine taxation passed by the Government of India, until officials and professional men are included in the schedule of persons required to take out licenses; and that, as the Government of India has apparently gone on with these measures of class taxation because it had no means of learning the real state of public feeling in Madras and Bombay regarding them, there being no representatives of these presidencies in the Viceroy's Council, and the local Councils being now mere recording Chambers for the Viceroy's decrees,

your Honourable House will further be pleased to effect such alterations in the Indian Councils Act as will enable the Viceroy to enjoy the advantage of having all taxation Bills discussed by a Council containing duly elected representatives of those great cities which are the centres of intelligence, wealth, and industrial enterprise in the various provinces of Her Majesty's Indian Empire.

And your petitioners, as in duty bound, will ever pray.

The Memorial having been translated for the benefit of the natives present,

Mr. MACLEAN said—In recommending this petition to your acceptance, I have first to explain to you why it is that we have decided on adopting a petition to Parliament instead of going to the Local or the Supreme Government for redress. The reason is that we feel the hopelessness of attempting to get redress for our grievances from the Indian Government. (Hear, hear.) As you are all aware, the Secretary of State and the Viceroy are now in such close and constant intercourse by telegraph that the measures introduced here by the Government of India have always as a rule received beforehand the sanction of the Secretary of State, while as for the Local Government and the Local Council, they seem to limit their efforts to giving effect to the instructions of the Government of India. (Hear, hear.) Nay, not content with that, they even outdo the Supreme Government. You know that Lord Lytton, in his published speeches, has expressed the greatest desire to have public opinion freely expressed about these financial measures, and that he has made this one of the tests of their goodness, that he thinks they have really been accepted as good by the people of India. Now, the efforts of the Local Government of Bombay have been directed towards keeping the public from expressing any opinion whatever upon the financial policy of the Government of India. (Hear, hear, and applause.) The Chairman has said in his opening speech that he thought this might be an accident, but for my part, I look upon it as only one out of several signs we have had lately that the canker-worm of servility is eating into and destroying that noble independence of character and cultivated liberality of thought which were the distinguishing glory of the Indian Civil Service (hear, hear,) and the true sources of that excellence which we were all of us ready to recognise. It seems to be now the fashion, certainly with officials of the higher rank, to use all their exertions, not to carry out the wishes of the Viceroy as expressed in his public speeches, but to please what they believe to be his secret inclinations, and if Lord Lytton knew his own interests, I think he might sometimes address to those over-zealous officials who have vainly tried to stifle public discussion in Bombay the reproach which King John addressed to Hubert, "It is the curse of kings to be surrounded by slaves who take their humours for a warrant" to do ill deeds. (Hear, hear, and applause). Then, gentlemen, since we despair of getting redress from any branch of the Indian Government, I think we are only doing our duty in appealing to that great assembly which is the inviolable home of free discussion, which spreads its protection over the subjects of the British

Empire in all parts of the earth, and from which alone Lord Salisbury and Lord Lytton themselves derive any authority which they possess. (Loud applause.) Now, gentlemen, I turn to the question whether the measures of taxation introduced by the Government are necessary and justifiable. I shall confine my observations entirely to the measures that apply to the Presidency of Bombay. Sir John Strachey, in his latest speech, stated that the keystone of his financial policy is this, the enforcement to the utmost of the responsibility of every great province of the Empire for meeting its own local wants in respect to famine relief. Well, bearing in mind that principle, I would ask you if it can be considered justifiable now to tax Bombay for famine relief. You all of you know that during the famine which has prevailed in this Presidency, the utmost economy was exercised in the administration of famine relief. (Hear, hear.) I believe there is a minute on record—I have not seen it, but I have heard of it—which shows that, out of the whole sum spent on famine relief in Bombay, so much has been spent on really reproductive works that probably the ultimate loss to the State will not exceed five or six lacs. Well, gentlemen, when you consider that the administration of the famine was so economically and carefully managed in this Presidency, and when you also know that the Government of Bombay has boasted in a public despatch that it means to collect nearly every penny of land revenue which was due by the people during those two years, do you not think that Bombay has done a good deal towards providing for its own wants in the matter of famine relief? (Applause.) If, after all this careful management, Bombay is to be taxed equally with other presidencies, in which money has been spent most lavishly and which have had the advantage of having the charity of England spent almost exclusively amongst them, I ask if that is not putting a premium upon lavish expenditure and discouraging careful administrators who wish to do well for the State and at the same time for the Presidency to which they belong? (Applause.) Again, supposing that taxation in Bombay can be justified, let me ask is this an opportune time for imposing it? Could they not have waited a little longer? It is far from a fact that we are yet free from the effects of the famine. I believe many native gentlemen will be able to confirm my statement, that in districts very near to Bombay there is still very great distress existing amongst the poorer classes of the people (hear, hear), and many district officers whom I have talked to have deplored to me the results of the excessively high prices which still continue to prevail throughout the presidency. One of them told me only the other day that he saw a sight which he never remembered to have seen in his life before, a stream of *brinjarries* going with bullock-packs quite empty, and when he enquired, the reason, they told him it was no use taking salt upcountry, because the people had no grain to exchange for it, they had exhausted their stores, and had no money left to buy salt with. I only bring these facts forward to show that there is still great distress which is likely to endure throughout the year in this presidency, and there is no conceivable reason that I can see why the Government should have been in such a hurry to impose fresh famine taxation when the ryots of the presidency are bound

to make up within this very year the deficiency of the land revenue which they did not pay last year. So much then, gentlemen, for the general principle of famine taxation. Now, coming to the particular measures which have been introduced, I think that the objections to the increase of the salt duty will be more strongly felt in England even than in India. It is a most curious argument for the Government of India to use, that, because they at some time hereafter intend to reduce the salt duties all over India to a uniform level, therefore, in a year in which Bombay has just passed through a famine, they are to impose a special duty on Bombay salt, and to lower the salt duty in upper India where there has been no famine. If this great financial reform, which is no doubt a good one, and would have the effect of abolishing the Inland Customs line, is ever to be carried out, why should not Bombay have the advantage of waiting till then before her salt duty is increased? However, gentlemen, the main object of this meeting is, I understand, to protest against the License Tax, and after a careful study of the Bill, which has been introduced in the Bombay Council, and pushed through there, I can conscientiously say that I think the new tax is the worst tax that I ever heard of, and possibly about the very worst that it ever entered into the mind of men to conceive. (Applause.) I shall not attempt to dwell upon the inequalities of the fees which are to be levied, because subsequent speakers will deal fully with that point, and are more competent to deal with it than I am, but I will say a few words about our main grievance, namely, the exemption of the official class and of professional men from their liability to pay this tax. The great argument of Sir John Strachey in introducing his famine statement was that the trading classes had profited by the famine and that therefore they ought to pay for famine relief. I think that argument was answered very well by Mr. Lang in the Bombay Legislative Council, when he said that on the same principle you might call upon contractors to pay all the cost of a war. (Hear, hear.) But is it the case, gentlemen, that trade in Bombay has really flourished during the last year? There is an example given in the petition, which you have heard read, of the conduct of Government in destroying the export trade, and I would ask you if it is not also the case that the import trade has suffered very severely in consequence of the famine that has desolated the Deccan and left the people without their usual store of money to buy clothes and other articles of necessity for their homes. (Hear, hear.) I believe that the whole trade was never hardly in a more depressed state than it has been of late, and even the petty traders find it much more difficult to make a living than they used to. However, His Excellency the Viceroy goes a great deal beyond Sir John Strachey in his argument. He sets aside, or at least he does not dwell upon the notion that traders ought to be taxed because they had made money, but he says the servants of the Government had worked very hard during the famine and have also suffered severely of late years by the depreciation of silver, and that therefore they ought to be exempted from paying this tax. Now, if they worked very hard during the famine, are there not minutes and despatches and resolutions of Government in which their services will be proclaimed? Will they not receive promo-

tion, honours, and decorations for what they have done? And have they done anything beyond the duty which they were engaged to do for the State? I do not wish to say a word in disparagement of the services of the Government servants. I believe they have worked in a way which entitles them to the highest praise, and I do not think that the majority of them would at all wish themselves for this exemption from taxation on the grounds on which the Viceroy puts it. (Hear, hear; hear, hear.) If their pay is not high enough let it be increased; if they have suffered so much by the depreciation of silver that their salaries no longer bear a decent proportion to the incomes of other classes of the community let these salaries be raised, but do not make an invidious distinction which separates them from the rest of the community. (Applause.) But I do not think that is the case, that it can be said that at this moment the salaries of at any rate the higher class of officials are too small, I fancy there are very few merchants or traders in this city who would not gladly change places with many of the higher civilians who draw salaries here,—who would not gladly exchange their anxiety and toil, often, after all, rewarded with but little profit, for the great honour and ease, the social position, and the innumerable decorations which gentlemen in the Civil Service possess in addition to their very liberal salaries. (Applause). Then, gentlemen, there is finally, the case of the professional men whom Lord Lytton proposes to exempt because he says if he did not do so the Government would have to come next to the "hated income-tax." I am unable to follow that reasoning at all. For myself, I believe the income tax is not so bad a tax if it is properly worked, as it was in Bombay during the later years that it was in force here. But I do not see, supposing an income tax ought not to be imposed, why the license tax should not apply to professional men as well as traders. And as regards officials I do not see why they should object to pay an income tax at all. Their salaries and incomes are perfectly well known, and therefore they cannot make the objection to the inquisitorial character of the income tax which is the greatest popular objection to it. Their opposition to the income tax can only arise not from an ignorant but from an intelligent impatience of being subjected to any taxation at all. (Laughter and applause.) Well, gentlemen, having thus gone through the measures that have just been brought forward, and our objections to them, I will, before I sit down, say a few words regarding the prayer with which the petition winds up. In the concluding part of the petition a great constitutional question has been raised. I dare say a great many of you have read lately a remarkable letter by Sir Fitzjames Stephen in defence of the Government of India against Mr. Bright, in which he said that English rule in India must be based on force and justice. We must all recognise the accuracy of that definition. We see the force every day around us, and we know that it is very strong. We can also readily admit that the administration of justice in the Courts of this country is probably all that could be desired,—that equality of all men before the law is secured, and that their lives and property are properly protected by the laws of India. But in the broader and political sense of the term, justice requires, with regard to the taxation

of the people, that it should be so adjusted as to be consistent with the enlightened principles of modern commercial legislation, and proportionate to the capacities of the several classes of the population. You can only secure that end by giving some kind of representation in the Council of the Viceroy to the various interests existing in the country. There is no such representation at present, and I do not think that in the present state of India it would be desirable to have a number of separate Councils with representatives in them. But the principle is in theory acknowledged, for Lord Lytton spoke the other day of the representatives of all classes of the community in the Legislative Council of India. All that we ask, then, is that this theory should be carried into practice, and that the great centres of wealth, intelligence, and industry of the country should be allowed to send representatives to the Legislative Council of the Empire to discuss bills of taxation and to enable the governing class to know what the wishes and the interests of the people really are. (Applause.) When I was at home two years ago I mentioned this idea to a very high official connected with the Government of India, and he said, "Oh, you are only wishing to imitate what was done with the Orangemen in Ireland,—a very bad precedent indeed;" but I replied at once that the English non-officials of India did not wish for any exclusive rights beyond those that they were prepared to concede freely to the natives in the great Anglicised cities of the Empire, and that all that we claim for ourselves we claimed on their behalf also. (Hear, hear.) Gentlemen, I think that this change in the constitution of the Indian Government would have a very beneficial effect on the whole community. It would make our life out here in every way much more healthful. Officials often say to us, "Well, what have you non-officials to do with the Government of the country, you are here to-day and gone to-morrow; why should you trouble yourselves about it?" Now, I fully acknowledge that non-officials of India, like a good many officials, perhaps look generally too wistfully towards the West, and consider themselves only temporary sojourners here; but the way to alter that in their case would be to enable them to live something better than maimed lives out here, not to deprive them of the birthright of Englishmen of all interest in the political institutions of the country. There is nothing that is so beneficial to the people as political discussion. It is the highest kind of education. I do not know that anything that has been done in England in modern times has helped so distinctly the progress of political intelligence and political capacity throughout the whole country as the commanding and stimulating influence of Mr. Bright's speeches. No doubt that is a rare gift; nobody can hope to possess such a gift out here. But as sometimes in certain countries you see monuments placed to commemorate some memorable event, which are composed of stones cast there by each passing wayfarer, so each one of us may hope to do something in his way to increase the political enlightenment of India and if he does so by helping free discussion in this country he does as good a work as if he were a missionary or a schoolmaster. (Applause.) But, gentlemen, such a change in the constitution would be beneficial, not only to the people but to the Government; it would prevent the Government from

following the course on which it has now entered of making the official class an exclusive class as it were, possessing all influence, all authority, all honour, and social position out here, and now as it were exempting themselves even from contributing towards their own support. (Hear, hear, and applause.) It would give the Government that strength which is born of sympathy and good-will between the governed and the governing classes. Such a support no Government is strong enough to dispense with, and without it all the state and ceremony, all the pomp and magnificence with which you may surround an Imperial Throne are but as "a gilded halo hovering round decay." (Loud applause,)

Mr. VURJEEWANDAS MADHOWDAS seconded the resolution.

Mr. KITTREDGE supported the motion. He said—Mr. Chairman and Gentlemen, I have been asked to support the memorial which has been presented to you to-day, and I do so very willingly, for I think the privilege of criticising the measures of Government becomes a sacred duty when those measures impose upon an overtaxed portion of the community fresh taxation (hear, hear), and especially when that class of the community is one not able to defend itself. (Applause). Now, gentlemen, what is it we complain of? Is it that we are taxed? No, it is not. Is it that we are taxed too much? No, it is not. What is the reason for which we come here together to-day with regard to this license tax? It is because the tax is imposed upon certain classes of the community who cannot bear that taxation, as they are already overburdened, while that portion of the community which is best able to bear taxation is entirely freed from it. (Applause). Now, gentlemen, the speaker who preceded me and proposed the memorial declared this Bill to be the worst Bill he had ever heard of. I go beyond that. I say it is not only the worst Bill I ever heard of, but it is supported by the poorest arguments I ever heard of. (Laughter). For if one reads Sir John Strachey's speech and that of his Excellency the Viceroy he certainly must confess that no poorer Bill could have a weaker support than these gentlemen have given to this one. (Applause.) Now, Mr. Chairman, I do not propose to go through all the arguments against this Bill, because time would not permit me to do so, and, further, this has been already done exhaustively by the independent members of the local Legislative Council, by the local press, and by my friend Mr. Maclean in the remarks he has made to-day. They are further laid down very clearly, very concisely, and very ably in the memorial you have just heard read. But there are one or two points to which I wish to call your attention, as they have not been so prominently dealt with. The main principle which underlies this Bill is that those persons who benefit directly from the revenues raised by taxation are the persons who ought to pay that taxation. Sir John Strachey says he taxes the agricultural classes anew because they and a portion of the traders are the only classes who come upon famine relief. Now, gentlemen, supposing Government servants are not always on Government relief, how would the principal act if those must pay taxes who are benefited directly by them? Who benefit directly from Government salaries? Government servants. Therefore, according to the principle

of this Bill, these gentlemen ought to pay their own salaries. (Laughter and applause.) But, gentlemen, who pay these salaries? Upon whom fall those taxes which make up the salaries of Government officials and even of professional men? Take the revenues of the country. Who pay the 21 millions of land tax? The agriculturists. Who pays the 9 millions of opium tax? Trade. Who pays the 2¾ millions of customs duties? Trade. Who pays the greater part of the four millions made up from stamps, telegraphs and post offices? Trade. (Loud applause.) Who supports your railways? Trade. Who support your irrigation and canal schemes? The agriculturists. Who pay all but an infinitesimal part of the salt-tax? The agriculturists and traders. (Applause.) Well, gentlemen, what do the professional and the salaried classes pay? Absolutely nothing. (Loud applause.) Nothing directly, and indirectly only the trifling proportion of indirect taxation which perhaps 100,000 persons may pay out of a population of 240 millions. Notwithstanding Sir John Strachey's remark about traders paying almost nothing for the support of the Government, I say the fact is that the agricultural and trading classes not only pay the expenses of the Government, but the salaries and the incomes of the classes not taxed. (Applause.) Now, gentlemen, is this not a true statement of the fact? (Hear, hear.) Now let me state a case. A supports himself and is taxed to pay B a salary. B gets so good a salary that he never comes to want. A has to pay such heavy taxes that he often comes to want. The question is, how to relieve A! Government says, "Tax him more for his own protection!" (Loud applause and laughter.) Am I not putting the case fairly before you? (Hear, hear.) It reminds me very much, gentlemen, of the story which is told by a political economist of my country, of a farmer who had met with very bad luck. Times were very hard with him, and he lost one thing after another until he was compelled to send away his servants. He called one servant whom he hired, and he said "John, I have mortgaged my house, I have mortgaged my land, I have lost everything, but my cattle; they are all I have left and I cannot afford to keep you." Said John, "You have your cattle left." "Yes, I have my cattle." "Well, I will serve you for your cattle." (Laughter.) "But what shall I do when my cattle are gone?" "Oh, then, you can serve me and earn them back again." (Much laughter.) We shall soon be in that very position in this country; the Government will eat up all the property of the poorer classes and then they will have to solve the problem as to what they will do now that everything is gone. Will they be ready with so good an answer as John was? (Applause.) Now, it comes to be a question with us when Government insists upon taxing again and again the only classes who now pay the revenues and refuse to tax those who pay nothing—the question arises, is it to be a crime in this country to support yourself? Is it to be a misdemeanour and offence that you do support yourselves without a salary from Government, a misdemeanour which must be punished by the rods of taxation. (Loud applause.) But there is one other point equally fallacious upon which Government rests for this act. Government undertakes to say that a certain class in this country

has made money, and therefore they may tax every one in any way connected with that class. Does not Government know, and must we tell them, that business is very uncertain, that a merchant cannot often himself tell whether he is making money or not? That while he makes profit in one article, he will probably be losing in another? That while he makes something one year, he loses the following year? Must we tell Government there is nothing so certain as the uncertainty of business? I suppose no merchant could be asked in any country how his business was doing, who would not be compelled to answer that for the past five years there have been no profits made, that there has been the most depressed state of business the world over that ever was known (hear, hear); and still Government undertakes to say that certain men in a certain trade have made money, and consequently those engaged in any trade must pay fresh taxes. Can any man or any body of men connected with the Government have the means of ascertaining with any certainty where and when profits are made in business? Can they determine where prosperity or adversity begins and ends? And is not the same thing true of the body politic as of the human body that when one member suffers all the members suffer with it, and when one member prospers all the members prosper with it? But there is another important point which ought to lead us to make a strong protest against Government coming forward and saying, "A certain class has made money. We will tax them for the revenue of the country." Next year they may come forward and say, "A certain number of that class have been making money." Another time, they may insist that certain *individuals* have been making money and must furnish the revenue needed; and I am not at all sure that it would not be far more dignified for Government to say to half a dozen of the rich native gentlemen whom I see here before me, "Pay us five lacs a-piece to make up this revenue" (great laughter and applause) than to go to the petty trader and the hawker and the pedlar (applause) who earn a paltry 4½ annas a day and make them pay out of their pittance. (Applause.) But this bill is supported not by arguments, for there is not one reason which can really be called an argument that has been brought forward in its favour, but it is supported by a bugbear! We are told that unless we have this bill, unless we accept this tax, there is nothing to do but to have the income tax. (Hear, hear.) His Excellency goes so far as to say, speaking of this income-tax, "science may prolong the life of the living, but it cannot resuscitate the dead," and still acknowledging that he cannot raise the dead, he brings up its ghost, the ghost of the income-tax, to scare us, in order to make us accept this iniquitous tax; iniquitous on account of the exemptions which render its incidence unequal and unjust. It seems to me simply preposterous—I must say, gentlemen, incomprehensible—that a man in His Excellency's high position can come forward and state to the country, when he has before him Act 21 of 1867, which includes the professional classes and salaried classes in the same license bill with the trading and agricultural classes—I say it is impossible for me to comprehend how a man in His Excellency's high position can come forward and say we have no alternative but the income-tax. (Applause.) Sir John Strachey says politely, "Any one who says

that a man with an income of Rs. 100 a year is poor, does not know the facts." That is a polite way of putting it. (Laughter.) I say that any man who can come forward and say that there is no alternative to this iniquitous bill but the income-tax, does not know the facts, and I put it equally politely. (Much laughter.) Now, His Excellency the Viceroy claims in support of his bill the local Councils, the Press, and the Public. What ground is there for claiming the local Council of the Bombay Presidency? Its submissive obedience to orders from Calcutta! (Applause.) Was there one person who rose in defence of this bill? Not one. Was one word said which could defend its principle? Not one. What are the views of H. E. Sir R. Temple on the subject of taxation? Let me read them to you. I take them from his own speeches when Finance Minister of India. "The taxation will apply equally and justly to all sections alike without distinction." Another—"Free from objection, as hampering no particular trade and fettering no industry." Another—"And everybody, European or native, will, we trust, appreciate the justice of taxing all classes alike without exception." Another—"The Government of India has aimed at a financial policy to be at once safe, just and sound. . . . . Just, as tending to apportion more and more equally the fiscal burden between rich and poor. Sound, as guiding all proposals according either to known customs in India or to established principles in England." Another—"Though the revenue has been augmented, yet no fresh burden whatever has been imposed on any branch of trade or industry." These *were* His Excellency's views. Has there been any change? Is there one person in this place to-day who believes that if His Excellency had changed his views upon the subject of taxation—views so clearly, so distinctly put—he would not have explained the change? Does His Excellency fail in words when he wishes to explain himself on any subject? (A laugh.) No, mark my words, His Excellency does not approve of the principle of this bill. (Loud applause.) But there are other members of the Council. There is the Advocate-General, or I should say the Acting Advocate-General. The Advocate-General was an independent member, but the Acting Advocate-General appears to be a dependent member (hear, hear), bound to support every bill of Government. Had he any word to say in its favour? Here is a gentleman of great ability, of legal training obtained at Bench and Bar—a training which gives a man the facility of making the best of a bad case, (Laughter.) Has he any word to say in its favour? Not one word. Nor has any other member a word to say for it. No, gentlemen, there is not one member of that Council, not one member of the Bombay Council, who approves the principle of this bill; and we protest to-day, not only that this bill is inequitable, partial, and unjust (loud applause), but we protest that the members of the Bombay Council, in a matter which directly affects the vital interests of this Presidency, in a matter—which, perhaps, is more important—which affects the good feeling of the governed classes towards their rulers, in such important matters as these the members of the Bombay Council, salaried officials! Government servants! are not allowed to vote according to their consciences. (Applause.) His Lordship claimed the Council; let him name one

member who supports his bill. His Lordship claimed the Press; let him name one paper which supports his bill? His Lordship claims the Public; this monster meeting is our reply! (Loud Applause.) Gentlemen, there are principles which are called principles of political economy, and the methods of taxation in most countries are supposed to accord in some measure with those principles. Now, the main principle, the fundamental principle, with regard to taxtation is given by Adam Smith and acknowledged by all political economists since his time; it reads as follows:—"The subjects of every State ought to contribute to the support of the Government as nearly as possible in proportion to their several abilities. . . In the observation or neglect of this maxim consists what is called the equality or inequality of taxation." Now, what does His Excellency the Viceroy think of the principles of political economy? Let me read to you, gentlemen, what he said a year ago, when he brought forward the budget of 1877-78. His Excellency said—mark these words—"Political economy is either a science or it is not. If it is a science, the laws of it are not affected by locality or climate. They will assert themselves as inexorably in one part of the world as in another, whether they are followed or disregarded." Those were His Excellency's views last year. Let me read to you His Excellency's views now: "The task we have undertaken is not to distribute the public burdens according to *doctrinaire* ideas of abstract science or symmetrical perfection." (Laughter and applause.) Yes, gentlemen, when His Excellency wanted to give up 2¾ millions of the revenue of India, because of that 2¾ millions, £50,000 might be regarded as a protection of a new and growing industry in this Presidency, then His Excellency thought political economy to be a "science" (hear, hear), and that its rules were inexorably asserted in every climate and every country; but when His Excellency wants to tax the poor cobbler who earns his one hundred rupees a year and to leave untaxed the Government Secretary who earns his Rs. 30,000 or Rs. 40,000 a year (applause); when His Excellency wants to tax the poor hawker who, carrying his bundle of *Kapra* round from house to house and from village to village earns a bare Rs. 8½ a month, and refuses to tax the member of Council who earns his five or seven thousand rupees a month (hear, hear, and applause); when His Excellency wants to tax the poor woman who sells sweet-meats in the streets and earns a bare pittance of 4½ annas per day, and refuses to tax the Governors who receive their Rs. 350 and the Governor-General who receives his Rs. 700 a day (loud and protracted applause,) then, gentlemen, *then* the laws of political economy are contemptuously thrown aside as "*doctrinaire* ideas of abstract science or symmetrical perfection." (Great applause.) Could any opponent of this Bill, however hostile to the Bill, or, I may say, however hostile to the Government—could any opponent have used words so utterly condemnatory of this measure as these words of the Viceroy himself? (Hear, hear.) I close with but one word more, making a protest against our rulers in the words in which a protest was made against the rulers of the Jews two thousand years ago: "Ye bind heavy burdens and grievous to be borne and lay them on other men's shoulders; but ye, yourselves, will not move them

with one of your fingers." (Immense cheering, which lasted some time.)

Mr. W. M. Wood in supporting the resolution said that the phrase ignorant impatience of taxation could not be alleged against this movement; those taking part in it were willing that some additional taxtion should be imposed; they desire that barriers against famine should be erected; they only ask that the impost for this purpose shall be fairly apportioned. (Applause.) His Excellency Lord Lytton had said that they had not sought to distribute these burdens according to abstract ideas, but along the line of least resistance. That was an apt expression, but it was liable to a construction that his Lordship would not like to avow—it implied that these taxes were to be levied from the weak—from those weak in social influence, weak in organization, while the strong and influential classes are to be spared. There would be no resistance to these measures; there would also be no effort on all side of retrenchments for the classes, who could make themselves felt were to be exempt. (Applause.) It was all very well to speak of not levying these taxes according ing to scientific equity, but that was no excuse for proceeding in flagrant violation of equitable principles. It was begging the question to say that it would be wrong to concentrate taxation on a few rich subjects. No one desired that to be done; but it was asked that some semblance of an equitable levy should be attempted. Though Government had avoided the mistake of proceeding on doctrinaire ideas it had fallen under the influence of a current phrase a sort of rule of thumb amongst official financiers which was to the effect that strike low or your taxes will not draw. The logical deduction from that doctrine would be the imposition of a poll tax, but no one proposes that because of its obvious iniquity; but this license tax had somewhat similar faults so far as it went. It was a great mistake to apply to the case of India that dictum drawn from the circumstance of European society. There was another and worthier doctrine of practical finance to which Mr. Gladstone in his budgets had always made it his object to aim, that is, to exempt a certain amount of income from the pressure of all taxation. It was useless to speak of this principle being assured by the limit of Rs. 100; and in order to show how this limit was estimated on the other side of India, Mr. Wood read an extract from the memorial of the British India Association describing the condition of families of five persons on eight rupees a month as scarcely being able to keep body and soul together. One of the speakers had said there had never been such a tax as this conceived, but this was a mistake, for this license tax was very similar to our non-agricultural income tax, the first experiment in provincial taxation in this Presidency. If Mr. Tucker had been here he might have said that Mr. John Strachey has stolen his thunder. But they all know what very small beer had been the result of that thunder. The tax had to be abandoned upon being imposed only one year; and there was a blue-book recorded against it. Our official legislators are very ready to quote former correspondence and other records against their opponents in debate; but if the discussion on this Bill had been

delayed so as to allow of that blue books being brought forward, it would have been impossible for very shame to pass this new scheme. It must be remembered that this is not merely a fiscal question, but one that relates to productive outlay and conserving the resources of the empire. There are some signs of progress in Sir John Strachey's speech, and for us on this side of India there was no need for him to make apologies for spending funds on reproductive works. If he had not been so timid in this respect his measures would have been more welcome here. He, Mr. Wood, believed that the mercantile and other classes who had their opinion on this subject were quite convinced that there was only one consideration that need limit the rate at which reproductive public works should be constructed, that is, not to disturb the labour market. Funds were at call in England, skill is available to an unlimited extent not only in Europe but in this country for the purpose. There was one subject that the Finance Minister never alluded to, a skeleton in the cupboard that was never mentioned in Council. He (Mr. Wood) referred to the fact that nearly a third of the revenues of the country are spent out of it on the other side of the globe. This drain of resources ought to be offset in some way, and none so legitimate as the carrying out of productive public works. By this policy the exchange difficulty would be lessened, the value of silver would be steadier, and the springs of industry would be oiled throughout the empire. In all these debates there had been nothing said about retrenchment, though Sir John Strachey had shown how the expensiveness of our military system was growing. No retrenchments would tell except in that direction, and the classes who could have made the influence felt to good purpose had been exempted from this levy. It was matter for remark that these peddling fiscal measures are introduced under a Viceroy who inaugurated his reign by opening up a fretting and aggressive policy on our western frontier which, if not checked by wiser counsels from home, would bring in a flood of expenditure and debt. To set against such a flood these paltry vexatious imposts would be as futile as Mrs. Partington's broom against the billows of Atlantic. (Applause.)

MR. KASINATH TELANG said he belonged to one of those classes which had by some piece of good luck come under the special patronage of the Government of India, and which were exempted from the payment of the tax. He wished to say for himself that he had no desire to keep from the public revenues anything which he could be properly called upon to contribute towards those revenues for public purposes. The object of the license tax was to establish what might be called a famine insurance fund, and he thought he ought not to be exempted from contributing to that fund. (Hear, hear.) He did not wish to be understood as speaking on behalf of the profession to which he belonged, but merely as speaking for himself. To his mind the iniquity of levying this license tax in the way proposed was as strong, although he belonged to an exempted class, as it appeared to be to the minds of those who had already addressed the meeting. As he understood it, the ground on which the proposal to levy this tax was based was, first, that those officers of Government who had taken such great

pains in meeting the famine were not the proper persons to be taxed in order to defray the expenditure that had been incurred; secondly, that inasmuch as these officers of Government were not to be taxed, therefore all other Government officers should not be taxed, and people who might in some sense be supposed to stand in the same position ought not to be taxed; and thirdly, that because these ought not to be taxed, therefore the professional classes should not be taxed. Lord Lytton had said, "If we are to tax all these classes, where are we to stop?" His idea was that the question should rather be "why stop anywhere at all?" In a matter of taxation every one ought to be taxed who derived benefit from the Government under which he lived. That was the grand principle of taxation, the truth of which had never been denied. He thought that every one who enjoyed the benefits of the British reign in this country was bound to contribute to the support of the State in exact proportion to the protection he received, although Mr. Kittredge had given credit to the profession to which he belonged for making the worst appear the better reason—a credit which he confessed he did not wish to accept—he thought that even the greatest in his profession would be unable to show any good and sufficient reason why the proposed exemption should be allowed. (Hear, hear.) Speaking for himself, he would be prepared to welcome an honest income tax requiring from every individual a proper contribution towards the necessities of the State in preference to the partial legislation of the proposed license-tax. There had been no reason shown in any of the debates in the Legislative Council to the exemption which had been allowed. With regard to the constitution of the local Legislative Council, he was extremely glad that this large meeting was about to adopt a memorial in which this question was raised. He looked upon the present local Legislative Councils as little better than a solemn farce. When the independent members happened to agree with a Government measure their opinion was spoken of as representing the general opinion of the public; but when they opposed any measure which the Supreme Government or the local Executive Government thought fit to introduce, their opinions were spoken of contemptuously as a mere individual opinion not representing the general views of the public with which the Government officers were much better acquainted themselves. (Hear, hear.)

Mr. D. S. KEMP said—Sir,—In a large assembly like this, where all sections of the community without distinction of class or race are more or less numerously represented, when able exponents of public opinion have already addressed you, and others are yet to succeed, I would not have taken upon myself to offer any remarks were it not that they may in a representative sense help to swell the concurrence of public disapproval with which the measure under discussion has been met. In an extensive and varied community like ours, enioying as it does liberty of speech and liberty of the press, there is always among the various political sections one which goes in for uniform opposition to Government on every debatable question, but more especially on questions of taxation. I believe, Sir, that the majority of

this meeting do not sympathise with that section, but that on the contrary they have been accustomed to believe that Government are anxious to administer the affairs of this country with a conscientious regard for public welfare, and that it is therefore the duty of every good citizen to render it a loyal and steady support. Moreover, Sir, it would ill become us, considering the terrible crisis through which this country has passed, considering the splendid generosity which has been manifested during that crisis by England and the Colonies in the vast sums of money sent to relieve our suffering people, I say it would ill become us to hold back and shut up our pockets when the tax-gatherer knocks at our own doors. I believe, Sir, that this meeting is as willing as any body of citizens should be to contribute an increased revenue against a recurrence of such grave calamities. Many here present whom I could point have distinguished themselves by the great and successful exertions they have made to relieve the famine-stricken, and have contributed without stint from their private means for the same object. They and we have all along anticipated some extra taxation on this account, but we look with dismay upon a measure which imposes permanent burdens upon ourselves alone rejecting those rich streams of revenue which an equitable taxation would cause to flow from the professional classes from persons of independent fortune, and from Government servants themselves. We are told, Sir, by the Finance Minister, that he thoroughly "sympathizes with our regrets and protest against the apparent injustice of this course;" but he assigns as his reason for it that the resources of his statesmanship are unequal to dealing with any but the agricultural and trading classes. Sir, this is a humiliating confession to hear from the mouth of the Finance Minister of a great Empire. These classes already pay the customs revenue, the opium revenue, the abkari revenue, the salt revenue, and the land taxes, and it would seem as if they were to bear the whole of the public burdens to the end of the chapter, while the professional classes, and more especially the public servants, are exempt from all but incidental taxation. We who have not graduated in that high school of statesmanship see no more difficulty in imposing a license tax on these various exempted classes than on traders. The assessment in the one case would be just as inquisitorial as in the other, and although the recipients of relief in famine time may be more nearly connected with us than with the other classes, yet that I imagine is no more reason for confining the taxation than it would be for a similar limitation in the case of such a tax as the poor rate in England. Such a remarkable development of the idea of "localization" would not, I think, find much favour with the English people. It would seem, Sir, as if the imposition of this most unjust tax were one of those phenomena which sometimes occur to confound our most cherished beliefs, and what in this instance it seems to upset is the idea which we have always fondly entertained of the unbending impartiality and justice of British rule. But, Sir, I believe we should be doing injustice to the Bombay Government to attribute to them any sincere approval of this tax, and I believe it will be found that this failure of the British reputation for justice is due to the headstrong influence of one or two individuals in Calcutta.

I believe we should certainly wrong the Bombay Civil Service if we credited them with an approval of this tax. Any exoneration of the professional classes is entirely unnecessary. The presence here to-day of so many of these classes is a loud and honourable protest against the partiality of the tax. I trust, Sir, that this ably drawn up memorial will be adopted without a dissenting voice, and that the signatures which will be presently attached to it will, both in weight and in numbers, be such as to attract the serious attention of the British House of Commons. Before sitting down I will read to the meeting a letter which I have to-day received from the Secretary of the Bombay Association attesting the thorough concurrence of that influential body in the objects for which we are now assembled.

Bombay Association Rooms, No. 18, Sassoon Buildings, Marine Street, Fort, Bombay, 19th February 1878.

To D. S. KEMP, Esq.

SIR,—I have the honour, by direction of the Managing Committee of the Bombay Association, to inform you that the Association cordially sympathise with the objects of the meeting which is to take place this afternoon to protest against the invidious provisions of the recently enacted License Tax Act; and that they hope that the meeting will insist, among other important points, on the necessity of retrenchments in the various departments of Government. As soon as sufficient materials are available, the Association will forward a petition on this subject to supplement the representation, which they trust will be sent up by the meeting this afternoon.—I have, &c.,

YASAVANT VASUDEO ATHALYE,
Secretary, Bombay Association.

The CHAIRMAN then put the motion to the meeting, and it was carried with acclamation.

Mr. MOWAT proposed the following resolution:—"That the memorial now adopted be entrusted to the care of Mr. Henry Fawcett, the distinguished member for Hackney for presentation to the House of Commons." The speaker said—Gentlemen, I am glad that you intend to carry the matter now under discussion to the British House of Commons, and I feel sure that few subjects come before that enlightened body, which can possibly appeal so much to that sense of justice which has been proverbial for so many ages. The learned author of the "Wealth of Nations," already quoted by Mr. Kittredge in stating the general principles of taxation, lays down as his first maxim—"The subjects of every State ought to contribute to the support of the Government as nearly as possible in proportion to their respective abilities, that is, in proportion to the revenue which they respectively enjoy under the protection of the State. In the observation or neglect of this maximum consists what is called the equality or inequality of taxation." Now, Gentlemen, the bill which has just been passed by the local Govern-

ment making it compulsory on all the trading classes to take out licenses, is nothing short of a violation of the above maxim—it is class taxation of the most objectionable kind. I feel sure that throughout the broad empire of India, Her Majesty has no more loyal subjects than the mercantile classes: a body of merchants laid the germ of this great dependency, and commerce has formed the mainstay of our connection with the East during the past two hundred years. We all sympathise with the Government on the late calamity which overshadowed the land, and when the history of the late famine is written, it must contain a record of many noble acts. We approve of the decision to have a special famine fund. We were all prepared for an increase in the taxation, and had it been general, the community to a man would have supported the Government. (Cheers.) Instead of this, what do we find? It may be true a few speculators in grain, particularly in Calcutta and the North-West Provinces made money out of the late famine, but the commercial classes throughout the country lost severely through the prostration of trade. Never was there a more inopportune time for taxing a body who has been struggling against unsatisfactory markets, not in India alone, but elsewhere. If there has been a gain by any class outside the speculators—the agriculturalists in the North-West and the middlemen who supplied their poorer countrymen in Madras and the Deccan with food at abnormal prices—have reaped the richest harvest. As I have said before, the general body of traders (both European and native) have lost severely. Ask the piece-goods dealer regarding his operations, and he will tell you that several important marts have been closed to him on account of the famine. The same tale will be told by the copper dealer, and all traders excepting the grain speculators. In this Presidency the loss by the famine has been very severe: the effects still continue. At a time when the trade of the port required every stimulus, we found the chief highway thereto—the Great Indian Peninsula Railway—monopolized by Government, no doubt with the best of intentions, but in defiance of all the principles of political economy. It has since been found out that the policy was a questionable one, and late despatches of the Duke of Buckingham are against it. (Hear, hear.) Those who had grain lying at mofussil stations, instead of carrying out their legitimate trade by exporting to Europe, were compelled to seek doubtful markets in the famine districts, which in a short time became glutted. Gentlemen, had this policy been continued until the approaching active export season, we should have had to face a financial panic, the severity of which might have been unparalleled in the history of this Presidency. As things stood the export merchant was a heavy loser. And those who were less interested in the grain trade with Europe were also heavy losers. In September and October our steamers had to seek employment at outports. This meant the loss of the legitimate returns from such business. And the matter did not end here. So bad was the freight market from Bombay to England that an enormous advance in the rate from England to Bombay was asked in order to make the double voyage pay. The importer was also a heavy loser, in so far as he could not lay down his goods here, except

at an increase in cost. And while we have borne all this so mildly, why are we specially singled out for taxation? Let us take a glance at the list of those who are to be taxed. Schedule A is a very comprehensive one. The first on the list is "companies registered under the Indian Companies Act, 1866." Now, gentlemen, there were some companies who did profit by the famine. I mean the railways, but as they are not under the Indian Companies Act of 1866, they are not to be taxed. Let us glance at the companies in Bombay who come under this schedule. The spinning and weaving mills are suffering in no small degree by the diminution of the demand for yarns and cloth in the Deccan and Madras, a great many are working short time, and in spite of such, production is still in excess of consumption. Some of the mills are working at a loss, and there can be no doubt but this great industry is suffering severely. The case of taxing Cotton Press Companies is even harder, Bellary and the Bombay Deccan are among the great growing cotton fields of India. Yet the presses there stood idle for the season, and to the credit of one of the Managers of a press in the Dharwar districts be it said that he set an example in the way in which he discharged the noble work of charity. (Applause.) What is to be the reward? The cotton crop was short last year as in years of famine it is generally short, and yet the very sufferer is singled out for special taxation. Perhaps the worst paying property in the Bombay Presidency as a whole is that of cotton presses. A single glance at any share list will show the truth of my statement. Then we come to bankers. It is a well known fact that with a famine the volume of their business is diminished. A smaller and less costly crop (notwithstanding the increase in the value of food-grain) has to be financed for; less money is turned over; anxiety is increased, and profits diminished. Next on the list are commission agents. There are in this room many who will tell you that their returns were lessened through the curtailment of Exports to Europe, through a falling off in the demand for Piece Goods and other articles over a large area of the country. They will further tell you that when the vessels left the port they suffered severely. The shipping trade of the port was for a time destroyed, and when the large fleet of steam-vessels was driven from Bombay harbour, many anticipated commissions were gone. Are brokers to be taxed because, owing to the falling-off in business generally, there were fewer bills making and consequently less brokerage offering? Is the cotton broker to be taxed because he had less cotton to sell? Is the contractor to be taxed because there are fewer contracts in the field, and the volume of the work of Government done by relief works? Is the hotel-keeper to be taxed because he has more to pay for his rice, and when he finds things so bad that he cannot raise his tariff? Is the ship-owner to be taxed because his vessels are earning smaller freights, and he finds great difficulty in meeting his working expenses? Are the owners of conveyances to be taxed because when famine devastates the country there are fewer hires offering? (Applause.) I might go on still further, but the instances which I have brought to your notice are quite conclusive for my purpose. The poor native who earns one hundred rupees

per annum from trade is to be taxed, and the lawyer who draws far more than the poor man's annual income per day is exempted. Gentlemen, the picture I have drawn is a true one—and

> "Facts are chiels that winna ding
> An' downa be disputed."

It is a well known fact that when trade is bad, the cases in the law courts are legion, and yet the rich recipients who profit by the misfortunes of merchants are exempt. And not they alone, but the other professional classes. Great sympathy has been expressed by Sir John Strachey for those who are in receipt of fixed incomes, and who of late have had to suffer from the depreciation of silver. Has Sir John Strachey forgotten that merchants, in order to carry on their business have to invest a considerable amount of capital in this country? What is the position of him who laid down his funds at 2s. per Rupee and now finds the same worth only 1s. 8d. 3f.? I believe that the men now on fixed incomes in India are the best off of any. They know what they are about, and they have not had to struggle against the recent depression of trade. Had they been asked, I daresay they would all gladly have done something to help their country in its hour of trial The license tax and an increase in that on salt (another most objectionable feature) have been put forward in preference to an income tax; but an income tax (however objectionable) would to my mind have been much better in so far as it must be more fair. Sir John Strachey has made a special reference to European traders bearing more burdens than the native. The European truly lives in a glass house; but a just system of taxation ought to be resorted to irrespective of any little difficulties in the way of collection—the man ought to be master of the difficulties and not the difficulties master of man. Gentlemen, I cannot help thinking that the seeming prosperity of a few in Bengal has led to this measure. I regret it. Because a certain section of the community has made money in one year, is that a sufficient reason for taxing the whole trading classes perpetually? Because money has been made in one part of the country, does that justify class taxation throughout the whole country? Some of the men who have made the money will leave and bear little or no share of the taxation; the unfortunates who have not been so successful must toil on in the hope of bettering themselves, and because they happen to be traders, they must pay. (Hear, hear.) I repeat my statement, put the saddle on the right horse, and all will be well. I have spoken to several gentlemen outside commercial circles on this subject and have received from them but one reply—"We sympathise with you, for we consider the spirit of the proposed taxation very unfair." Although the injury may not be seen at the time, I believe no more fatal mistake can be made than that of creating a privileged class. It has been the ruin of more countries than one, and although a body of merchants founded this empire they want no privileges; they want a fair field and no favour; they are ready to bear their share of the public burden along with their fellow subjects. Gentlemen, I have every confidence in the ultimate success of this moment; when it is dispassionately discussed before the British House of Parliament, the

scales of justice will fall on your side. (Cheers.) You could not trust your interests to a better man than Professor Fawcett—one on whom the mantle of Adam Smith has fallen—one of the greatest free-traders and one of the greatest economists of the age. (Loud cheers.)

Mr. GRATTAN GEARY said—I have great pleasure in seconding the resolution that the memorial which has been read this evening shall be placed in the hands of Mr. Fawcett for presentation to the House of Commons. The Chairman in opening the proceedings spoke of the anomaly that the townsmen of Bombay instead of meeting in the Bombay Town Hall should be obliged to meet in this pavilion which, however spacious and convenient, is not the place in which the citizens should be obliged to meet to discuss matters of public interest. (Hear, hear.) But there is, it appears to me, a still greater anomaly, and it is this—that the citizens of Bombay in public meeting assembled should be obliged to ask the honourable member for the Borough of Hackney to present a petition to the House of Commons because their voices are unheard or unheeded by the Legislative Council which makes laws for this Presidency. Mr. Fawcett deserves well of India, and he will no doubt take charge of this petition and press it on the attention of the House of Commons. But it would not be necessary to send it six thousand miles away if the Indian Legislative Councils were better constituted and took note of the opinions and feelings of the non-official classes. (Hear, hear.) As things stand, the cause we are now adopting is the only constitutional course open to us. By the temperate and firm use of the privileges we possess we shall succeed in enlarging their scope, and eventually the Legislative Councils will be strengthend by the infusion of the representative element. (Applause.) The evening is advancing and darkness is already descending on the meeting, so I will not detain you with a long speech. But I may say before sitting down that the question we are here to-night to discuss is one of principle. We are not opposed to the increased taxation rendered necessary to provide against famine. What we object to is the exemption from that taxation of the official and the professional classes and the classes in receipt of fixed incomes. (Hear, hear.) There is no bitterness or disaffection at the bottom of the movement which has filled this great space with so many thousands of the citizens of the capital of Western India. Our objection is not to the license tax, for that tax is, after all, a rough form of income tax, free from many of the practical inconveniences which the income tax, pure and simple, as we all know, entails. If it were fairly levied on all alike no objection would be urged against it. But the exemption from its operation of the very classes to which it would be least burdensome, and above all of the very official class which imposes it, is what excites our strongest disapproval. (Applause.) The exemption of these favoured classes is a defiance of every principle of political economy as laid down by all the great authorities from the days of Adam Smith to our own. So far from considering that Government officials should be exempt from taxation, Adam Smith considers that they, of all others,

ought to be taxed, and for this reason "that the emoluments of office are not like those of trades and professions regulated by the free competition of the markets;" they are, he says, "in most countries higher than is necessary, the persons who have the administration of government being generally disposed to reward both themselves and their immediate dependents rather more than enough. The emoluments of office, therefore, can in most cases very well bear to be taxed." That great authority did not imagine that the official class ought to be exempted from taxation; he thought, on the contrary, that they could bear the burden better than their neighbours, and he was quite right, for their salaries are never subject to the fluctuations which make the incomes of others so precarious. (Hear, hear.) If there were time I would quote to you other authorities. I would read to you what Ricardo says "that taxation under every form is but a choice of evils, but that provided the burden be equally borne and do not repress reproduction," it is a matter of comparative indifference what form it takes. Those taxes are the best which no class of the community can escape, every "one contributing according to his means." I will not detain you longer. The Legislative Council has run through this fiscal measure which violates the first principles of equitable taxation. Under the circumstances, the best course for us to take is to entrust this petition to Mr. Fawcett for presentation to the House of Commons and commend it to his advocacy. (Cheers.)

The resolution was then put and carried with applause.

Mr. MORARJEE GOCULDASS moved—"That copies of the memorial and the proceedings of this meeting be forwarded to the following members of Parliament, with the request that they will give the prayer of their memorial their support in the house":—Rt. Hon. W. E. Gladstone, Rt. Hon. John Bright, Sir George Bowyer, Bart., Sir Thomas Bazley, Bart., Rt. Hon. W. E. Baxter, Sir George Campbell, K.C.S.I., Rt. Hon. Stephen Cave, Sir Charles W. Dilke, Bart., Sir J. D. H. Elphinstone, Bart., Rt. Hon. W. E. Forster, Right Hon. George J. Goschen, Rt. Hon. Robert Lowe, Sir John Lubbock, Bart., Rt. Hon. W. N. Massey, Rt. Hon. G. Sclater Booth, Rt. Hon. C. P. Villiers, George Anderson, Esq., J. L. Ashburry, Esq., Genl. Sir G. Balfour, K.C.B., Thomas C. Baring, Esq., Edward Bates, Esq., Thomas Brassey, Esq., W. E. Briggs, Esq., Jacob Bright, Esq., Joseph Chamberlain, Esq., James Cowan, Esq., Joseph Cowan, Esq., M. E. Grant Duff, Esq., John Dunbar, Esq., Samuel Lang, Esq., John Farley Leith, Esq., Duncan Maclaren, Esq., John Pender, Esq., Rt. Hon. Lyon Playfair, C.B., Thomas B. Potter, Esq., and T. M. Weguelin, Esq. He said—In taking this step I am sure we are showing no hostility to the action of Government, but simply exercising the rights which we as subjects of the Empress of India possess by virtue of the British constitution, to meet at a lawfully convened public meeting, and to express our opinion on such matters on which the views of the public may be at variance with those of Government. I am sure this appeal which we are going to make to the House of Commons will be warmly taken up by such members as Mr. Fawcett, Mr. Bright, and others, to whom we are greatly indebted for the

deep interest they have taken in matters connected with India, and I entertain a hope that their exertions on our behalf will meet with success. (Hear, hear.)

Mr. SORABJEE FRAMJEE PATEL seconded the resolution, which was carried by acclamation.

Mr. RAGOONATH KHOTE moved—"That the inhabitants of Bombay in this meeting assembled protest against the refusal of Government to grant them the use of the Town Hall for the discussion of public question." Mr. Khote said—Mr. Chairman and Gentlemen, I am come to the platform at a most unfavourable moment. It is now late in the evening. But as I have quite a new topic in hand to address you upon, I trust you will be pleased to show me some indulgence in patiently listening to what I have to say. I will not take up more than ten minutes of your time. You have already been informed of the object of this meeting, and that was to enter our protest against the inequitable provisions of the License Tax Bill, recently passed by the Legislative Council of Bombay; and you have already adopted the memorial to Parliament, protesting against the inequality and favouritism exhibited in the incidence of the taxation imposed by that Act. You have next to direct your attention to another most important point, namely, the cause of your meeting this day in this unusual place. You find yourselves assembled in Mr. Wilson's Great World Circus Tent! You have been turned out of house and home! (Laughter.) You have been thrown upon the world, and the world-famed Circus-Manager, Mr. Wilson, has afforded you shelter this evening. (Laughter.) Why is this? Have we, the citizens of Bombay, no place, where of right we might meet and deliberate in a constitutional manner and give honest, but independent, expression to our views on public questions? Why do we meet here this evening instead of at the building where heretofore we persuaded ourselves it was our right to meet and discuss public questions? A building which, if the recent action of Government be correct, is a Town Hall in name only —is no more a Town Hall than is the Government House of Parel or Malabar Hill, or any other public building, which is under the direct care and custody of the Government. (Loud cheers.) The recent decision of the Government refusing the use of the Town Hall for the constitutional purposes of this meeting is, indeed, a most serious matter; and it behoves us to study our exact position with respect to it,—I mean the precise limits of our right to that building, our relations with the Government in connection with that building. But for Mr. Wilson's kindness and courtesy, we should have found ourselves compelled to hold this meeting on the Esplanade in the open air, under the canopy of heaven, like the caste meetings of some of the lower castes of the Hindus. (Applause.) It is exceedingly important to us to have this matter clearly defined once for all. If it were once settled that Government has the right of excluding the public from the use of the Town Hall, whenever in their wisdom they see cause to do so, whenever, in fact they anticipate that the acts of Government, whether legislative or administrative, are to be subjected to adverse criticism, it would be high time for the public to consider

whether it would not be expedient to have a real matter-of-fact Town Hall of their own, and one not in name merely, as the edifice in the Fort has to our cost proved to be. (Hear, hear.) There are people who think, and not without some show of reason, that even on the assumption of the Town Hall being purely a Government building in the strictest sense of the term, the Act of the Government, in refusing the use of the Hall to us this time, is an act of petty tyranny, an act of pure little-minded illiberality, an act tending to smother the free and honest discussion of public measures, an act calculated to discourage that noble institution, which Englishmen, and, I would say, even English women, prize so highly—I mean the liberty of speech. (Loud applause.) The refusal to give us the use of the Town Hall argues a nervous impatience of public comment, which I find it impossible to believe Sir Richard Temple would ever evince in any matter whatever—and notably in that of a measure of the kind, which we have had under our consideration here this evening—a measure of new taxation affecting the interests of the masses of the people. I would fain believe there were good and cogent reasons for the course Government have taken, though those reasons are not apparent on the surface to the outside world. Whatever the reasons, the fact however remains that we are houseless, and have had to assemble here for discussing a solemn public measure, where Mr. Wilson would have been most delighted to regale us with the strange antics of his educated horses, and the miraculous whims of his pet Mule Barney. (Laughter.) Hitherto Government were always ready and willing to allow the use of the Town Hall for public purposes, but a sudden change has come upon this time honoured practice. This does indeed seem most strange, quite unaccountable, that we should be denied the use of the Town Hall on this occasion when it used to be invariably given to us on all occasions for holding public meetings. Of course, no Government records are available to me; but I have endeavoured to trace from public books the history of the Town Hall. If a question of rights of the public on the one hand and those of Government on the other were to be scrutinized and adjudicated upon, it would seem that we are not quite without what lawyers in their wary language are in the habit of calling, a *primâ facie* case. I cannot do better than to read to you an extract from one or two books. I am aware long extracts are wearisome in a public meeting, and particularly at this late hour, but on a point with which on the present occasion we are so nearly concerned, what I am going to read would, I trust, prove interesting. The late Dr. Buist, an ancient inhabitant of Bombay, and a public writer of great repute, wrote a guide to Bombay, and he gives this account of the origin and construction of that building. (Reads from pages 87 and 88 some passages.) Mr. Maclean, another eminent public writer of the present day, now present at this meeting, and whose excellent speech you have just listened to, in his Guide to Bombay recently published, gives nearly the same account of the Town Hall. (Reads from pages 205 and 206 some extracts.) Now, gentlemen, you will not fail to see the sum total of these extracts goes to establish these facts, viz., first that no less than two lacs of rupees, belonging to the public, are sunk in this building; secondly, that Go-

vernment have spent only three lacs, or, say, a little over half of the total cost towards its completion; and, thirdly, the original object in view in building the Town Hall was to provide a suitable building for public meetings and entertainments, and, as the second author says, for the use of the inhabitants of Bombay, whether for public business or entertainments. (Applause.) And, gentlemen, the practice till now has invariably been quite in accordance with these views of the founders of the Town Hall. If these facts concerning the commencement and completion of the Town Hall had been present to the mind of Sir Richard Temple, I find it impossible to believe that he would have shut us out from that Hall in the apparently arbitrary manner, which all of us regret so much. It is said that the present Government of Sir Richard Temple has, in this instance, simply followed a precedent, that occurred in the time of Sir Philip Wodehouse when a similar application was made to allow the public to hold a public meeting to discuss the Revenue Jurisdiction Bill, which was an Act of the Government of India; the reason then assigned or understood was that, as the Bombay Government had already given expression to strong views against that measure, their concession of the Town Hall for the convening of that meeting might expose the Bombay Government to the imputation of inciting public agitators against it. However well intentioned, one would have thought that was rather weak conduct on the part of that Government. The use of the Town Hall up to that occasion was, as I have already said, always and invariably given to the public upon their demand through the Sheriff, but on that occasion a plausible reason was shown for the refusal, and no further notice was therefore taken of the matter. The meeting then intended was held in the Framjee Cowasjee Institute, and this meeting, too, would have been held there to-day if that edifice had not been previously engaged. Sir Philip Wodehouse must have little thought that his act would be drawn into a precedent for such a purpose and on such an occasion. Now, we must teach ourselves to think that if an intended public meeting have for its object the discussion and criticism of a public measure, which has been espoused by the Government, the people must despair of getting the use of the Town Hall. Gentlemen, let us now consider the subject in another point of view. Supposing even that the Town Hall had been wholly erected by Government, as all Imperial public works are, with monies out of the Imperial treasury, still the attitude of Government in this instance is hardly justifiable. In one sense Government is no more than a trustee of the public exchequer. All public works belonging to Government belong virtually to the public, who are the tax-payers and with whose money they are built. To deny to the public, therefore, what belongs to them can be justified by only one consideration—namely, the good of that public, which, however, it appears to be impossible to perceive on the present occasion. Now, gentlemen, to conclude. The Town Hall of Bombay is an entire misnomer, if the townsfolk are to be kept out of it according to the taste or feeling—I would not say the whim or caprice—of the ruling authority. I would advocate that the public should make a formal claim to the Government for the transfer of the Town Hall to the

Municipality. Already the Town Hall of Calcutta has been made over to the Municipality of that city. I am not acquainted with the origin of that building there; but there, too, I surmise, public subscriptions and contributions must have formed part of the funds from which that edifice was built. Here, of course, I am open to correction. If I am wrong, and if the Town Hall there was built entirely at the cost of the State Treasury, our claim here to the Town Hall of Bombay is all the stronger. Whatever action the public of Bombay might eventually take in this matter to make a formal claim, it is at least our bounden duty to ourselves to do what I would now propose for your consideration in the language of the resolution confided into my hands. (Loud applause.)

Mr. MARTIN WOOD seconded the motion, which was carried with applause. The following letter handed in by Mr. Wood, was taken as read:—

To the Honourable MOUNTSTUART ELPHINSTONE, President and Governor in Council.

HONOURABLE SIR,—We beg leave to report, for the consideration of your honourable Board, that in the *year* 1811 certain public spirited individuals having conceived the design of erecting a Town Hall at this Presidency for the several objects of affording accommodation for the Literary Society, its Library and Museum, for the reception of the statues of Marquess Cornwallis and Mr. Pitt and of the Marquess Wellesley, and for finding a suitable suite of assembly and supper rooms for public amusements, a meeting of the British inhabitants was convened with the view of taking the above project into consideration, when a Committee was appointed for the purpose of raising the necessary funds, choosing a proper site, calling for plans and estimates, and superintending the construction of the building.

J. H. CRAWFORD.
J. WEDDERBURN.
G. W. BARNES.
W. ERSKINE.

June 1823.

On the motion of Mr. Goculdas Jagmohundas, a vote of thanks was passed to the Chairman and the Sheriff, and the meeting then dispersed.

BENGAL CHAMBER OF COMMERCE, CALCUTTA, 23*rd March* 1878.

To the Most Honourable the MARQUESS of SALISBURY, Her Majesty's Secretary of State for India,

The Humble Memorial of the Bengal Chamber of Commerce,

RESPECTFULLY SHEWETH,—That your Memorialists recognise the necessity imposed upon the Government of India, by the calamitous famines that have within the last few years occasioned enormous expenditure of the public revenue, to make provision for meeting extraordinary and exceptional charges that may be incurred hereafter by similar disasters.

That your Memorialists therefore recognise the expediency of an

Imperial Fund being created for the special purpose of meeting the demands that may arise by reason of future scarcity and famine, and approve of the policy whereby the pressure of expenditure may be equalised over a series of years.

That your Memorialists also acknowledge the necessity for bringing the public revenue and public expenditure into a condition of financial equilibrium, for maintaining a sound financial position, as well as for creating a Special Famine Fund by means of additional taxation without encroaching on the ordinary revenue reserved for ordinary requirements of the State.

That such special Famine Fund proposed to be created by the Government of India is intended to be provided from the following sources:—

New taxation: License on Trades, Dealings, and Industries...	£700,000
Agricultural Tax, Bengal and Northern India...	500,000
Gain by extension of Provincial responsibility...	400,000

That in pursuance of such determination and with the view to raise a proportion of such additional taxation within the Territories subject to the Lieutenant-Governor of Bengal, an Act for the licensing of Trades, Dealings, and Industries has been passed by His Honor and assented to by the Governor General of India.

That your Memorialists cannot but regard the said Act as a violation of established principles of taxation, inasmuch as it throws upon certain classes of the public a burden which should be borne by all alike without exception, and demands that all branches of trade and industry shall contribute to the support of the State, while it exempts, invidiously and unjustly every grade of the salaried officers of Government from any share of a special taxation necessitated by national exigencies.

That while your Memorialists are content to bear their fair share of that burden, they entirely dissent from the assumption that trades and industries generally benefit from famines, and that therefore they should be called upon to pay so large a proportion of the annual tribute demanded by the State as protection against such calamities. That while it cannot be denied that some trades and industries do derive temporary benefit from famines, your Memorialists submit that such benefit is limited to a few only, while the great majority not only derive no benefit but actually suffer serious losses by the occurrence of famine.

That owners of jute mills and of steam ships and other carriers undeniably did derive advantages from the late famine in Madras, but shipowners, with one or two notable exceptions, are not and cannot be made liable to such taxation as is now imposed, not being resident or in any way established in India; and to make those who are established in India liable to such taxation, while the others escape it, is to prejudice local interests as against foreign. With the exception of the classes named your Memorialists believe famine is a misfortune to trade generally, which is nevertheless called upon to meet the entire cost of providing such portion of the fund necessary to protect the State as is derivable from the measure complained of.

That markets for all classes of imported goods become stagnant from the results of famine,—scarcity and consequent dearness of food interfering with the ability of the population to purchase, importers thus finding consumption of their goods materially reduced; whilst exporters of produce find most articles of commerce enhanced in value and all means of carriage dearer,—trade thereby being rendered exceptionally hazardous and generally unprofitable.

That it has been officially assumed and declared that traders in rice in connection with the late famine have amassed enormous profits from that source. Your memorialists believe such is not the case. No doubt, some have made large profits, while a greater number have made moderate profits; but of others who were engaged in the trade some have been seriously embarrassed and some ruined through such operations, although at the same time the commercial enterprise involved in an unprecedented exportation of food grain from the Port of Calcutta has, your Memorialists believe, enabled Government to meet the emergencies of the famine at a very much smaller cost to the country than had traders not engaged so extensively in the traffic.

That in the opinion of your Memorialists the action of the Government of India by placing so heavy a burden upon the commercial and trading classes who have thus rendered substantial service to the State, while all official classes have been exempted, is unmerited and unjust.

That your Memorialists frankly admit and bear testimony to the laudable and excellent services rendered by Government officials of all ranks who were engaged in the famine in Southern India and elsewhere, and they would gladly see them appropriately recognised and rewarded; but your Memorialists submit that the performance of duty however zealously and efficiently discharged is no ground for exemption from taxation for national purposes; and that the immunity of the official classes from the obligations compulsorily imposed upon other sections of their fellow subjects invests the Government measure with a most invidious character and constitutes it an act of grievous partiality.

Your Memorialists respectfully submit that national misfortunes, whether arising from famines or other causes beyond or within human control, enjoin obligations upon every class of the community (if able to bear them) to contribute towards the national resources needed for alleviating consequential distress, and protecting the State against similar disasters in the future: and that any measure of Government which violates equitable taxation by overweighting selected classes of the people and giving entire freedom to others well able to bear their share of the burden, cannot be too strongly condemned as being at variance with a right disposition of responsibilities common to all alike.

That in the judgment of your Memorialists the Government measure is but a revival, in a modified form, of the abandoned Income Tax, which however possessed the redeeming features of approximately assessing the means of all who were bound to contribute to public requirements and of abstaining from taxing the hard earned pittances of the poorest classes; while the License Act, on the contrary, touches the scanty resources of the humblest

and lowest in every social industry that can be enumerated, and apportions the fees payable in the three Presidencies in such a manner as to deny the tax even the merit of reasonable equality in its incidence.

Your Memorialists therefore pray your Lordship will not sanction the License Tax until it has been amended so as to include every official class within Her Majesty's Indian Territories, and to provide that all assessments shall be determined by a standard of uniformity.

On behalf of the Bengal Chamber of Commerce.

H. W. I. WOOD, *Secretary*

CHAMBER OF COMMERCE, MADRAS, 8th March 1878.

To the Most Noble, the MARQUIS of SALISBURY, H. M.'s Secretary of State for India.

The Humble Memorial of the Madras Chamber of Commerce.

RESPECTFULLY SHEWTH,—That your Memorialists, who are engaged in the Commerce of Madras, beg most respectfully to enter a protest against the unjust incidence of the Imperial License Tax.

That your Memorialists being well aware that the ordinary revenue of the Indian Empire is inadequate to meet the expenditure incurred by the recent famine in Southern India, admit that cogent reason has been shewn by the Government for levying a special tax to meet that outlay.

That your Memorialists are willing to bear their fair share of the new burthen which the Government have been constrained to impose on the country; but they feel bound to demur to the invidious exemption from liability to the tax which has been conceded to servants of the State, and to all occupations and professions excepting agriculture and commerce.

That it appears to your Memorialists inequitable to require the classes upon whose industry, and enterprise the material prosperity of the country chiefly depends to sustain the whole of the cost of the late famine, as well as the whole weight of the "premium of insurance" against famines in the future.

That your Memorialists have reason to believe, that the Government of India have been influenced by the theory of the Finance Minister, expressed at the meeting of the Viceregal Legislative Council, on the 28th December last, that the profits on the rice trade of the year just ended were not less than Rs. 40 a ton, and represented in the aggregate a clear gain to the trading classes of six millions sterling.

That in your Memorialists' opinion this surmise gives a most fallacious view of the nett results of a trade, the bulk of which passed under their personal observation, and that the Government of India should have been more on their guard against accepting an untenable theory of this nature as a plausible excuse for taxing the classes who are alleged to have realised this fabulous amount.

That the Finance Minister's argument is, that as Agriculture,

Trade, and Industries generally have, in his opinion, benefited largely from the high prices current during the late famine, the classes engaged in such occupations are well able to bear the special taxation necessitated by famine, while the official and professional classes may fairly be exempted on the ground that they have derived no advantage from the calamity. That without dwelling on the unreasonableness of regarding lawyers, doctors, and civil engineers, as the recipients of "fixed incomes," your Memorialists would remark, that the Finance Minister has ignored the enormous detriment inflicted on the commerce of this Presidency by the drought. That while the failure of the rains gave an extraordinary impetus to the trade in grain, it caused disastrous consequences to other branches of trade. That, for example, during 1877, the quantity of Cotton shipped from Madras ports was but one-seventh of the quantity shipped in 1874 or in 1875, and that the trade in Indigo, Seeds, and other staples was practically in abeyance. That, further, the destitution resulting from the famine paralysed import trade, and must seriously affect it for some considerable time to come.

That, therefore, the hypothesis that traders have been enriched by the high prices of grain overlooks the circumstance that they have had to sustain serious losses from the stagnation in the foreign export and import trades, and also from the heavy fluctuations in the Grain Market. And that whatever profits may have been realised in the grain trade have not been participated in by the great majority of persons on whom the new tax falls.

That if, on the ground urged by His Excellency the Viceroy, officials who were engaged, as part of their public duties, in relieving the distress of the people during the famine, are fairly entitled to the consideration of the State in the new scheme of taxation, the class that has poured the food that was required into the famine districts, and has incurred all the risk and labour of so doing, may also be considered to have deserved well of the State, since without commercial intervention all the official agency employed must have failed to prevent a greater calamity than has occurred.

That your Memorialists, both as merchants and as long residents in an unofficial capacity in India, venture to take objection to the assumption which runs through the whole of the speeches delivered by members of the Viceregal Legislative Council in the debates on the new taxes, that further retrenchment of official expenditure is impossible. That your Memorialists assert that this assumption is not borne out by their personal knowledge of the large establishments maintained at the public expense, the expenditure on public works of no obvious present or prospective utility, and the retention of high-salaried appointments long after the necessity for their continuance has passed away.

That as the Government of India have challenged public opinion, it is competent to your Memorialists to express their conviction that the expense of the administration of this country has not been nearly reduced to the minimum consistent with efficiency. That especially in connection with the allowances of the higher classes of officials is there room for judicious retrenchment. That the finances of the Empire are declared to be in a chronic state of

embarrassment, and the time has passed for paying officials the salaries that may have been necessary in former days to induce suitable men to expatriate themselves. That India having ceased to be a *terra incognita*, and having been relieved of much of its former character for unhealthiness, discomfort, and risk, the scale of official remuneration should be readjusted with due regard to the state of the labor market in Europe, and especially with regard to the inability of India longer to afford official emoluments that have never been paralleled elsewhere.

That, in your Memorialists' opinion, the large portion of the community which is affected by the new taxes would bear the burthen more cheerfully if they saw that those who imposed that burthen were not themselves devoid of a patriotic and generous desire to bear their own fair share of it. That it is vain to expect the public to respond cheerfully to demands on industry when those demands are not supported, either by evidence that the Government have done all in their power to reduce expenditure to a practicable minimum, or by a clear forecast of the purpose to which the money when obtained will be applied.

That the statement in Council of His Excellency the Viceroy that "the European community in India, non-official as well as official is a very hardworking and certainly not a wealthy one" is only too true with regard to non-officials, and all but the higher ranks of officials; but your Memorialists, who are Europeans, do not wish to be treated with a consideration that would be invidious if not extended to natives who are also non-officials.

That your Memorialists take objection to the assertion of the Finance Minister that the "strongest of all justifications" for taxing the commercial and trading classes is that "they now pay almost nothing towards the expenses of the State," for it seems to your Memorialists problematical whether the State could be carried on at all if it were deprived of the revenue it derives, directly and indirectly, from the trade of the land.

That your Memorialists admit with the Finance Minister that the "classes on which as a whole the pressure of actual famine falls ought to contribute for their own protection," but they dissent from his inference that they ought also to pay for the protection of other classes, and least of all for those classes which are the best able to contribute to the expenses of the State.

That it seems to your Memorialists inconsistent and harsh to impose an inquisitorial license tax, which is a veiled income tax, upon the trading classes, and to exempt officials and professional men from the impost on the ground that were they liable to it, an income tax would be imposed on the whole community; but that if valid objections can be shown for not taxing the incomes of the most affluent classes in the community they may be also applied in suport of the argument for exempting other classes from that obnoxious form of taxation.

That your Memorialists cannot therefore admit with His Excellency the Viceroy, that the new taxes are entitled to the "modest merit of an equitable distribution of famine charges between the two great classes of the community, who are collectively best able to bear them, and on whom such charges most reasonably fall." It seems to your Memorialists as inexpedient as it is unjust, to

claim for the official and professional classes in this country, who may be said to represent the local aristocracy of wealth, a right to be exempted from taxation for Imperial purposes, which has never been claimed for the same classes in England, and which is not sanctioned by the personal practice of Her Majesty the Queen.

That your Memorialists have a peculiar reason to complain of the unequal incidence of the new impost since a Bill has been introduced into the Madras Legislative Council, No. 6 of 1878, in which it is proposed to levy a tax in this Presidency varying from a minimum of Rs. 4 to a maximum of Rs. 800 per annum.

That your Memorialists have represented to his Grace the Governor in Council, that the Schedule of rates in the local Bill is opposed to the wishes of the Government of India, which were stated in the following words by the Finance Minister in the Viceregal Legislative Council, on the 28th December, with reference to the Northern India License Bill: "The highest amount which "under any circumstances any individual or company can ever "be called upon to pay annually will be Rs. 200. The lowest fee "of all is Re. 1. These will be the maximum and minimum rates "in every Province, but the details of classification will necessarily vary."

That your Memorialists have begged his Grace the Governor in Council to consider the following statement which contrasts the rates proposed to be levied in Madras with those about to be demanded in Bombay:—

On		Madras.	Bombay.
Class	I	800	200
,,	II	700	150
,,	III	600	100
,,	IV	500	80
,,	V	400	60
,,	VI	300	40
,,	VII	200	30
,,	VIII	100	25
,,	IX	50	20
,,	X	25	15
,,	XI	10	10
,,	XII	4	7
,,	XIII	...	5
,,	XIV	...	3
,,	XV	...	2

That as your Memorialists are sanguine that the very serious errors in the scale of rates in the Madras Schedule, to which they have above referred, have only to be brought to the notice of his Grace the Governor in Council to be rectified, they have addressed a Memorial to his Grace to that effect. But should a favourable response not be accorded to their prayer, that the Schedule attached to the Bill may be withdrawn, and replaced by one in compliance with the pledge of the Government of India, your Memorialists hope that the irregularity may be discountenanced by your Lordship in Council.

And your Memorialists pray that, for the reasons above stated,

your Lordship in Council will be pleased to withhold your assent from the proposed concession to the official and professional classes.

Signed on Behalf of the Madras Chamber of Commerce.

A. MACKENZIE, *Chairman.*
C. A. LAWSON, *Secretary.*

The following petition has been drawn up by the Bombay Trades Association, and a circular drawing attention to it has been widely circulated in English, Guzerati, and Marathi :—

To His Excellency Sir RICHARD TEMPLE, Bart., K.C.S.I., &c., &c., &c., Governor of Bombay in Council.

The Humble Petition of the undersigned Inhabitants of the City of Bombay, engaged in Trades, Dealings, and Industries.

SHEWETH,—That an Act, entitled The Bombay License Act of 1878, otherwise Bombay Act III. of 1878, passed by the Bombay Lagislative Council, received your Excellency's assent on the 13th February, 1878, and that of His Excellency the Governor-General on the 11th of March, 1878, and was published by your Excellency on the 19th March, 1878. That the said Act was enacted "to provide means for defraying the public expenditure from time to time incurred or to be incurred for the relief and prevention of famine." That your petitioners fully recognize the necessity which exists of providing the Government of India with resources to meet such expenditure, and are quite prepared to bear their due share of taxation for the purpose in common with the rest of the community. That in the opinion of your petitioners the Act above recited is calculated in a great measure to defeat the objects with a view to which it was enacted; to produce an insufficient amount; to press unduly on certain classes of the community whilst exempting others entirely from any share in the public burdens; and as an instance of purely class legislation, to arouse a spirit of discontent and dissatisfaction generally. That this Act imposes taxation only on those classes who, next to the agricultural class, are the greatest sufferers in times of dearth and famine. That at such periods trade is depressed and diverted from its ordinary channels, and the profits of all concerned in trades, dealings, and industries are seriously curtailed. That the circumstance that a few grain monopolists realize large profits on such occasions is no ground on which to base a course of penal legislation for the industrial classes at large. That members of Her Majesty's civil and military services, professional men, and all persons in receipt of fixed incomes are exempted from the operation of the Act, whilst the income of such persons suffers no diminution from famines—the only inconvenience to which they are subjected at such times being the rise in the price of provisions which tells equally, or with even greater severity, on the industrial classes. That the assessment of individuals

is by the Act committed solely to the discretion of the Collector, without any provision being made for the collection of such information as could alone enable him to arrive at a just conclusion. That the Act provides that there shall be no appeal whatever from the orders which the Collector may think fit to issue on the subject, and your petitioners are thus deprived of any possibility of redress should the Collector for the time being be disposed to work the Act in an oppressive manner. That small shopkeepers, whose profits amount only to a bare subsistence for their families, are placed in the same category with large establishments such as the Bank of Bombay and others, each of which affords large incomes to a great number of persons whose individual capacity to contribute to the public burdens is much greater than that of traders generally. That the words "dealings" and "industries" are not defined and purely arbitrary lines of distinction are thus rendered necessary. As instances of this, your petitioners may point out that dentists are taxed, whilst medical men, who only make dentistry one branch of their practice, are exempted, and that notaries public not being solicitors are taxed, whilst those who are also solicitors escape. That for a series of years the classes engaged in "trades, dealings, and industries" have suffered so much from the depression of trade consequent of the depreciation of silver, the recurrence of famines, and other causes, that the imposition of exceptional taxation on them whilst their more fortunate official, professional, and property-holding fellow-citizens are exempted is felt to be burdensome, oppressive, and cruelly unjust. Wherefore your petitioners humbly pray that your Excellency in Council will take measures to procure the repeal of the said Act III. of 1878, and the enactment in substitution thereof of a new License Act, which shall distribute the burden of taxation over all non-agricultural sections of the community (military men not in civil employ alone excepted) in accordance with the capacity of the taxpayer to contribute thereto. That the said new License Act shall make provision for the appointment of a committee of revision with power to adjudicate in all cases of alleged unfairness of assessment. Such a measure your petitioners feel assured would be cheerfully accepted by all classes of Her Majesty's loyal subjects, and would produce better financial results. Or, failing the enactment of this suggested new License Act, your petitioners humbly pray for the re-imposition of the Income Tax recently existing, and the substitution of the same for Act III. of 1878.

And your petitioners, as in duty bound, will ever pray, &c., &c.

BOMBAY CASTLE, 19*th September* 1878.

From the Honourable E. W. RAVENSCROFT, C.S.I., Chief Secretary to the Government of Bombay, to V. FRETWELL, Esq.

SIR,—I am directed by His Excellency the Governor in Council to acknowledge the receipt of your letter dated 7th September, with which you forward a petition numerously signed by certain

inhabitants of the City of Bombay engaged in trades, dealings, and industries against the provisions of the Bombay License Act of 1878 (Bombay Act III. of 1878).

2. There are some statements in the petition which show in the opinion of Government that the facts of the case have not been fully appreciated by the petitioners to clear up any misapprehensions which may exist, I am desired by His Excellency the Governor in Council to offer the following remarks.

3. It is stated in paragraph 9 of the petition "that the assessment of individuals is by the Act committed solely to the discretion of the Collector without any provision being made for the collection of such information as could alone enable him to arrive at a just conclusion." But on reference to section 13 of the Act you will see that—"For the purpose of enabling him to determine under which class a petitioner should be charged, the Collector may summon and enforce the attendance of witnesses and compel them to give evidence, and compel the production of documents by the same means, and as far as possible in the same manner, as is provided in the case of a civil court by the Code of Civil Procedure; provided that the Collector shall not call for any evidence, except at the instance of the petitioner, or in order to ascertain the correctness of facts alleged by him." Also section 21 provides that "every person shall be legally bound to furnish information to any officer exercising any of the powers of a Collector under this Act when required by him to do so." These sections in the opinion of His Excellency the Governor in Council sufficiently provide for the collection by the Collector of such information as will "enable him to arrive at a just conclusion." This measure, it is to be remembered, is only a graduated License Tax and not an Income Tax. If the Collector were to make such inquiries as those which are usual in the case of an Income Tax, then there would arise a complaint the opposite of that which you now make, namely, a complaint of inquisitorial inquiry.

The object is to attain a just mean between defective and excessive inquiry, and the Governor in Council trusts that such a mean will be obtained by the sections above cited.

4. In the 10th paragraph of the petition it is stated "that the Act provides that there shall be no appeal whatever from the orders which the Collector may think fit to issue on the subject, and your petitioners are thus deprived of any possibility of redress should the Collector for the time being be disposed to work the Act in an oppressive manner." Government do not consider that there is any fear of appeals being disposed of without full and careful consideration. The Governor in Council will undertake to affirm that no Collector is or will be disposed to work the Act in an oppressive manner. If any Collector were so disposed then the tax-paying community would be sure to memorialize Government. In justice to the officers of Government, it is necessary to say that they are obliged by their duty to realize what is due by law from the taxpayer; that fully, and no more. They do not desire to levy any more than that; nor does the Government desire that they should.

It is absolutely necessary that there should be a limit to the power of appeal in the city of Bombay, but it always has been the desire of Government to provide in the most satisfactory manner for the disposal of these appeals. With this object Government recently appointed on special duty to hear appeals the Hon. Dosabhoy Framjee, who is, it is believed, the most competent and popular officer in Bombay that could have been found. The Income Tax assessments were so settled by him that in the discharge of his duties he secured the entire confidence of the people and of Government, and it was the possession of exceptional qualities that induced Government to entrust to him his present important work.

5. In your 11th paragraph it is stated "that small shopkeepers whose profits amount only to a bare subsistence for their families are placed in the same category with large establishments, such as the Bank of Bombay and others, each of which affords large incomes to a great number of persons whose individual capacity to contribute to the public burdens is much greater than that of traders generally." This statement does not exactly represent the real state of the case. Every trader whose income exceeds Rs. 10,000 a year is placed in the first class and taxed at the maximum rate, which is not much. All whose incomes exceed Rs. 7,500 are placed in the second class, and so on. It may, of course, happen that in the first class are those whose incomes are Rs. 10,000 and those whose incomes are Rs. 100,000, but this is the principle of the Act as opposed to an Income Tax, and the Governor in Council is, under the circumstances, quite unable to propose any alteration in this respect. The Governor in Council duly observes the preference expressed by you for a re-imposition of the Income Tax. He must observe, however, that the present payers of the License Tax are better off as they now are, for none of them would probably pay less under an Income Tax, while many would certainly pay more.

6. In your 12th paragraph it is stated that the words "dealings" and "industries" are not defined, and purely arbitrary lines of distinction are thus rendered necessary. As instances of this your petitioners may point out that Dentists are taxed, whilst medical men who only make dentistry one branch of their practice are exempted, and that Notaries Public, not being Solicitors, are taxed, whilst those who are also Solicitors escape.

With reference to this objection, I am desired to say that it is superfluous to define the meaning of such words as "dealings" and "industries," which are considered to be well understood phrases, and of unmistakeable import. It is also difficult to draw the line very clearly between trades and professions in cases where anything like dealing is superadded to a profession. But the executive officers do their utmost to carry out the obligations of the law with care and judgment, referring to Government for instructions where there is any doubt or uncertainty. By these means substantial justice is, it is hoped, administered, and the objects of the Legislature carried into effect.

7. In conclusion I am to say that His Excellency the Governor

in Council regrets that he cannot accede to the request urged in the petition as regards the appointment of a Commitee of Revision. In fiscal matters such as this appellate authority must be a servant of the Government. It is also beyond his power to amend the Act in the directions indicated by the petitioners. But he will continue to impress on all executive officers the necessity of so working the law, that whilst the fair claims of the State are not compromised, the tax shall be collected with the least appreciable amount of inconvenience to the taxpayers.—I have, &c.,

T. D. MACKENZIE,
For Chief Secretary to Government.

APPENDIX L *A*.

THE PORT TRUST.

ADMINISTRATION REPORT FOR THE YEAR 1877-78.

The most noticeable feature in the Administration of the Bombay Port Trust for the year 1877-78, is that not only have the Trustees paid to the Government of India, the full amount of interest due, *viz.*, Rs. 8,55,282, but they have in addition a surplus of Rs. 1,01,106, which has also been paid to the Government of India in part liquidation of the Capital debt.

2. As compared with the Budget Estimate, the figures are as follows :—

	Estimate.	Actuals.	Difference.
Income	13,88,100	17,20,883	3,32,783
Expenditure	7,59,598	7,64,495	4,897
Difference	6,28,502	9,56,388	3,27,886

3. This great difference between the actual receipts and the Budget Estimates has been caused by the famine lasting on through a second year, which could not have been anticipated or taken into account when the Budget was framed. The greater part of the increase is in the Bunder Revenue, due to very large imports of grain and of State Railway materials, but the receipts from Port dues and Pilotage are also considerably above the estimate, the result of the abnormal number of vessels conveying the grain and railway materials into the Port.

4. The revenue from the Bunders has been Rs. 12,71,291, against an estimate of Rs. 10,61,175, and from the Harbour properties the receipts have been Rs. 3,94,284, against an estimate of Rs. 2,83,100. On the Bunder, there has also been a saving on expenditure, the outlay having been Rs. 2,81,036, instead of Rs. 3,16,898, but on the Harbour properties the expenditure has been Rs. 13,176, in excess of the estimate, as the Pilots' share of pilotage fees has of course been larger than was anticipated.

5. Compared with the previous year 1876-77, the figures are as follows :—

	Income.	Expenditure.	Difference.
1876-77	14,84,437	7,28,421	7,56,016
1877-78	17,20,883	7,64,495	9,56,388
Difference.....	2,36,446	36,074	2,00,372

6. In the report for 1876-77, it was noted that owing to the famine the revenue from grain had risen from Rs. 95,800 in 1875-76 to Rs. 1,87,750 in 1876-77, but in 1877-78 it has most unexpectedly advanced to Rs. 2,72,810. The fees remain as before, *viz.*, 6 annas per ton ; but the quantity imported by sea has been 211,883 tons, against 105,005 tons in 1876-77, and 74,516 tons in 1875-76 ; the quantity exported by sea has been 198,617 tons, against 167,955 tons in 1876-77, and 70,784 tons in 1875-76. These figures only represent imports and exports *by sea*, but in addition vast quantities have been brought by rail on to the Trust property, and from thence sent up-country also by rail, or sold in the town. The receipts from Wharfage were Rs. 1,53,935 in 1877-78, as against Rs. 1,02,339 in 1876-77, and Rs. 54,439 in 1875-76. That the Port Trust has secured this large trade in grain is doubtless attributable in great measure to the excellent accommodation afforded in the "Ryan Market," which is now being completed to the extent originally contemplated, and will contain more than 400,000 bags of grain. The rent obtained from this market was Rs. 1,11,374 in 1877-78, as against Rs. 77,967 in 1876-77, and Rs. 38,880 in 1875-76.

7. Next comes iron and machinery, of which 114,497 tons have been imported, as against 42,676 tons in 1876-77. This great increase is also to be credited to the famine, which has led to the construction of the Chord Line of Railway from Dhond to Manmad, and the extension of the B. B. & C. I. Railway from Ahmedabad onwards towards Pahlunpore and Ajmere. The State Railways account for 70,959 tons, which at the contract rate of Rs. 2 per ton, has brought the Trust a gross revenue of Rs. 1,41,918.

8. The importation of coal and coke continues to rise ; the amount this year being 130,384 tons, against 100,547 in 1876-77, and 43,392 tons in 1875-76. The import of timber, firewood, &c., remains steady at about 128,000 tons. The import of sugar, 22,314 tons, is about an average quantity, though very much larger than that of 1876-77, when it was only 14,656 tons.

9. The export of seeds has been 138,279 tons, against 148,641 tons in the previous year ; the seed crop having been a poor one. There has been a considerable falling off in most items of export, especially in cocoanuts, dates, &c., of which only 29,613 tons were exported, as against 42,958

tons in 1876-77, and 117,590 tons in 1875-76. The total export trade over Port Trust Bunders is very little more than that of 1876-77.

10. The Cotton market still remains divided between Colaba and Mazagon; the imports on the Trust property have fallen from 36,648 tons to 21,750 tons, and the export from 30,965 tons to 21,407 tons. Some of this decrease is, however, due to a small crop, and not altogether to competition.

11. Owing to the large imports of grain and State Railway materials, the landing and shipping business has been very brisk, the gross receipts being Rs. 1,21,996, or Rs. 93,080 in excess of the previous year; the revenue from the Railway sidings has also risen from Rs. 31,080, to Rs. 43,547, and there has been an increase of Rs. 4,905 in commission on the collection of town duties. The revenue from the Bonded Warehouse has risen from Rs. 34,005 to Rs. 46,425, chiefly from unclaimed goods.

12. Although the Imperial Press Company have vacated their premises which were leased for Rs. 15,000 per annum, and the rent paid by the occupiers of the iron bazar has been reduced from Rs. 1-10 to Re. 1 per square yard per annum, there has been a satisfactory increase in warehouse, shed, and ground rents, the revenue having risen from Rs. 3,14,478 to Rs. 3,74,717; this includes the abnormal receipts from the Ryan Grain Market, but there is also a general increase in ground rents from land let on monthly tenancy, especially for coal and coke, which has advanced from Rs. 9,863 to Rs. 21,136. The area of land let on lease has risen from 46,193 square yards to 51,840 square yards. The average rental is Rs. 1-4 on the Elphinstone Estate and Rs 1-12 at Mody Bay per square yard per annum. At one time the demand for land for the storage of coal was so great that it could not be met on the Trust Bunders, and a portion of Waree Bunder at the Clerk Basin was given over for the purpose by the G. I. P. Railway Company. A plot of land at Mody Bay Imperial Estate, measuring about 700 square yards, has been sold for Rs. 25 per square yard, this is the second plot sold. The gradual increase in this item of revenue is shown in the following figures. The receipts were—

In 1874-75, Rs. 2,68,674; in 1875-76, Rs. 2,95,947; in

1876-77, Rs. 3,14,478 and in 1877-78, Rs. 3,74,717. The receipts from ground rent alone were in 1874-75, Rs. 1,89,486; in 1875-76, Rs. 1,92,354; in 1876-77, Rs. 1,70,307 and in 1877-78, Rs. 1,92,349.

13. As the Trust has now been in existence for five years it may be interesting to note the general result of its operations during that period. The total amount of traffic passing over the Port Trust Bunders has steadily increased, both in Imports and Exports, and in 1877-78 has been nearly 44 per cent. in excess of 1873-74; as will be seen from the following table :—

	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.
Imports ... Tons.	805,975	819,910	853,934	896,660	1,063,915
Exports ... „	321,665	343,073	466,151	541,302	553,403
Total ..... „	1,127,640	1,162,983	1,320,085	1,437,962	1,617,318
Revenue Rupees ...	6,18,851	6,92,491	6,25,551	6,72,972	

14. This traffic has been distributed over the various bunders as under :—

Imports.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.
	Tons.	Tons.	Tons.	Tons.	Tons.
Elphinstone	647,627	676,018	676,650	726,833	899,707
Custom House	63,185	59,351	61,196	45,359	53,653
Apollo Bunder	7,314	7,783	8,951	8,518	8,860
Apollo Reclamation	27,213	33,777	40,908	38,570	24,421
Colaba Bunder	1,061	1,204	2,023	1,321	984
Mody Bay.	23,740	10,041	16,117	20,803	12,879
Mazagon...	3,250	3,000	4,369	3,970	3,324
Tank Bunder	15,260	12,981	21,375	11,699	23,337
Sewree	1,980	3,785	1,613	1,179	1,629
Chowpatty	6,650	4,600	9,846	28,678	24,779
Mahim and Worlee	8,675	7,370	10,886	9,730	10,142
Totals...	805,975	819,990	853,934	896,660	1,063,915

Exports.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.
	Tons.	Tons.	Tons.	Tons.	Tons.
Elphinstone	206,685	229,801	303,372	466,162	476,786
Custom House	76,362	88,387	116,438	29,028	28,363
Apollo Bunder	3,049	3,553	4,921	5,257	5,398
Apollo Reclamation	7,478	10,643	15,017	19,078	15,636
Colaba Bunder	...	10	64	9	...
Mody Bay.	2,270	2,456	1,692	1,462	1,319
Mazagon	1,100	1,172	1,241	1,248	882
Tank Bunder	3,001	2,981	3,485	3,000	4,658
Sewree	21,570	3,900	16,575	15,883	20,174
Chowpatty	...	...	...	...	...
Mahim and Worlee	150	170	346	175	187
Totals...	321,665	343,073	466,151	541,302	553,403

15. Arranged according to articles, the tables stand thus :—

Imports.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.
	Tons.	Tons.	Tons.	Tons.	Tons.
Cotton	28,831	34,970	39,077	36,648	21,750
Wool	6,850	5,427	7,095	6,601	5,838
Grain	81,295	69,811	74,516	105,005	211,883
Bhatty	9,378	10,616	10,936	10,587	19,535
Iron and Machinery	33,286	41,368	53,027	42,676	114,497
Sugar	25,401	21,754	33,696	14,656	22,314
Jagree	8,685	10,635	11,766	11,339	6,435
Ghee	461	608	433	646	198
Mowra Spirits	2,731	2,905	3,083	2,362	2,157
Timber, Firewood, &c.	101,565	108,358	103,508	128,989	127,645
Building Materials, Sand & Chunam	130,947	146,783	149,248	141,678	119,310
Hay and Straw	33,059	36,543	38,535	35,139	36,447
Cocoanuts, Dates, Coffee, &c. ...	156,101	171,816	166,016	144,332	135,476
Salt	14,946	12,055	9,866	15,793	12,044
Coal and Coke	72,504	50,611	43,392	100,547	130,384
Piece-Goods	22,149	15,270	15,018	9,931	6,178
Haberdashery, &c.	39,921	40,948	43,966	32,785	44,862
Copper and Spelter	901	2,997	1,984	2,381	2,316
China Ware	92	57	70	71	80
Ice	1,605	2,000	2,250	1,858	1,154
Ballast	1,435	...	...	...	...
Rattans	122	79	156	191	217
Baggage and Sundries	35,237	34,299	46,294	52,445	43,195
Totals...	805,975	819,910	853,934	896,660	1,063,915

Exports.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.
	Tons.	Tons.	Tons.	Tons.	Tons.
Cotton	30,303	34,393	28,584	30,965	21,407
Wool	2,886	1,023	1,041	378	3,827
Grain	48,028	50,829	70,784	167,955	198,617
Seeds	25,513	30,810	64,360	148,641	138,279
Opium	2,834	2,999	2,466	1,956	1,644
Iron and Machinery	16,318	16,441	18,874	22,527	19,195
Coal and Coke	6,814	14,969	17,159	9,945	7,330
Cocoanuts, Dates, &c.	61,528	66,033	117,590	42,958	29,613
Timber	3,001	2,991	3,485	3,000	4,658
Ballast	21,500	3,600	16,439	15,757	20,174
Baggage and Sundries	102,940	118,985	125,369	97,220	108,659
Totals...	321,665	343,073	466,151	541,302	553,403

16. It appears from the above tables that there is a great falling off in cotton, jagree, ghee, building materials, cocoanuts, dates, &c., piece-goods and opium, attributable to these articles having been diverted to Mazagon, Sassoon Dock, and Arthur Bunder.

17. Owing in part to competition and to consequent reduction of rates, the receipts from wharfage and tonnage have not risen in the same proportion as the quantities of goods, and are in fact less than they were in 1875-76. The figures since 1874-75 are respectively Rs. 6,18,851, 6,92,491, 6,25,551, and 6,72,972, showing a very marked fall in 1876-77. But this is partly due to the great increase

of tonnage having occurred in grain, seeds and coal, the articles on which the rates are specially low. The average charge in 1877-78 works out only about 6½ annas per ton, against 8½ annas in 1874-75.

18. The revenue derived from all sources has been as follows :—

	Gross Revenue. Rs.	Expenditure. Rs.	Net Revenue. Rs.
1874-75	14,33,406	6,77,669	7,55,737
1875-76	15,65,640	7,39,167	8,26,472
1876-77	14,84,437	7,28,421	7,56,016
1877-78	17,20,883	7,64,495	9,56,388

As the amount invested for the replacement of the Pilot Schooners Rs. 44,498 is shown as having been expended, but is really net revenue set aside for a special purpose, the real net revenue may be held to be ten lakhs of rupees.

19. The large increase of 167,255 tons in the imports of the past year points to a large increase in the number of vessels entering the Port, and we accordingly find from the Master Attendant's report that 1,018 vessels, aggregating 1,093,828 tons, came into the harbour in 1877-78, as against 815 vessels aggregating 870,284 tons in 1876-77; the number of sailing vessels rose from 265 to 305, and of steamers from 550 to 713. The following table, giving the entries since 1874-75, shows the abnormal increase that has been caused by the famine :—

	Steamers.		Ships.		Total.		Remarks.
	No.	Tons.	No.	Tons.	No.	Tons.	
1874-75 ...	490	525,031	266	244,809	756	769,840	Average tonnage of each year is 1,018, 1,045, 1,067, 1,074. In 1877-78 the average tonnage of steamers was 1,093 and of sailing vessels 1,020.
1875-76 ...	544	599,047	257	238,585	801	837,632	
1876-77 ...	550	596,689	265	273,595	815	870,284	
1877-78 ...	713	782,694	305	311,134	1,018	1,093,828	

20. The receipts from Port dues therefore show a considerable increase as under :—

	From Square-rigged Vessels.	From Native Craft.	Total.
	Rs.	Rs.	Rs.
1874-75	86,521	55,737	1,42,258
1875-76	90,618	53,558	1,44,176
1876-77	98,682	58,816	1,57,498
1877-78	1,24,790	58,531	1,83,321

The receipts for pilotage and for water-supply to the shipping show a corresponding increase, and the general result is that the total revenue of the Harbour Department has been Rs. 3,94,284, against an estimate of Rs. 2,83,100; compared with the previous year, the receipts are Rs. 3,94,284 against Rs. 3,23,439, or an increase of Rs. 70,845.

21. The condition of the Pilot service is not altogether satisfactory; the men are generally speaking tolerably steady, but apparently from carelessness or ignorance, they allow too many accidents to occur; none of which however, have resulted in any serious damage. In view to improving the service, probationers are now employed in learning their duties under the running Pilots instead of serving as mates of the pilot schooners. It was reported to the Trustees that Pilots sometimes received gratuities; this practice has been strictly prohibited, but can only be entirely stopped with the cordial co-operation of Masters of vessels, which has been invited; meantime a regular scale of fees has been sanctioned for any extra work performed by the Pilots, so that there is no excuse for the custom.

22. The balance of the Pilotage Account is Rs. 44,498; this has been invested as usual in Government 4 per cent. Paper for the replacement of the pilot schooners, the sum now invested for this purpose is of the nominal value of Rs. 57,500.

23. Hitherto a Government steamer has always been ready during the monsoon, to render assistance to any vessel in distress outside the harbour, but it has now been decided that the charge must be met by the Port Trust, and the steamer *Dromedary* was therefore held in readiness for this duty during the last monsoon. So great an improvement has, however, been made in recent years in lighting the approaches to the Harbour, that it is doubtful whether it is absolutely necessary to incur the cost of this precaution.

24. During the past year the separate appointment of Signal Officer at Colaba has been abolished, and the duties are now carried out by the Master Attendant; the saving effected by this measure is Rs. 2,760 per annum.

25. The Prince's Dock is advancing rapidly to completion: and the work is being well done. The Dock walling is very nearly completed and the harbour wall is well forward. The entrance works have been taken in hand and have made considerable progress. A contract has been

made with Messrs. Sir William Armstrong and Company amounting to £42,723 for the supply of hydraulic machinery, such as cranes, capstans, gates, swing bridge, sluices, &c., and the first consignment is expected in Bombay in July next.

26. The excavation of the interior of the Dock has progressed favorably and is about half completed; the work was stopped several times during the last monsoon on account of the rain, but, during the approaching monsoon it is expected that work will be carried on continuously, and it is hoped that it will be completed within the current year. Plan No. 4, furnished by the Resident Engineer, shows how the material has been deposited in Mody Bay, and the great improvement that will be shortly effected in that portion of the Estate.

27. The dredging of South Channel approach has been carried on throughout the year, except from 10th July to 27th August, when the machinery of the dredger and barges was overhauled and repaired. Blasting operations have been continued in the Narrows.

28. On the Mody Bay Estate rubble foundations are being put in for the drains in the cross roads; additional space has been given by reclamation at the head of Mody Bunder, behind the permanent wall on the south, and also at the landward end; this is much required for the storage of coal. A landing place has been constructed opposite the Boree Road; it is provided with a slipway: and as boats can get alongside at all times except at extreme low tides, it will probably be much used by native travellers; and also by cargo boats when the ground in the neighbourhood is ready for the storage of goods.

29. A beacon has been erected on the Shewa spit on the opposite side of the Harbour off Elephanta; as it lies on the boundary of Port limits, the expense has been shared by the Port Trust and by the Southern Group Port Funds. A larger beacon, 60 feet high and 20 feet in diameter, has been constructed for the Southern Group Port Funds, on the Chawl Kada Reef between Alibagh and Rewadunda; it can be converted into a light-house if required. The Dolphin light has been much improved.

30. The following changes have occurred on the Board:—the Hon'ble Mr. Ravenscroft, the Hon'ble Mahomed Ali Rogay, Captain Robinson, Mr. Bickerdike and Mr. Graham have vacated their seats, and have been

succeeded by Mr. Trevor, Rao Bahadoor Becherdass Ambaidass, Captain Searle, the Hon'ble Walter Lang and Captain Kellock.

31. Mr. Thomas Ormiston, who has been the Chief Engineer for more than twelve years, and who has so ably and so zealously carried out the works under the Elphinstone Company, and subsequently under the Trustees, has given over the executive supervision of the works to Mr. George Ormiston, and is employed in England as Consulting Engineer to the Trust. Captain Morland has succeeded Captain Searle as Deputy Conservator and Master Attendant of the Port. Mr. Baird has been appointed to act as Traffic Manager during the absence of Mr. Ryan on sick leave.

32. All the officers of the Trust have carried out their duties with zeal and efficiency, but it is due to Mr. Baird to take special note of the energy and success with which he and his subordinates have coped with the heavy pressure of work, brought upon them by the very large importations of grain, and by the arrival in the Port of so many vessels carrying railway materials, which had to be landed and sent up-country with such quick despatch as to necessitate on several occasions working by night and on Sundays.

W. A. BAKER, Chairman.

Bombay, 31st May 1878.

CHAIRMAN'S BUDGET.

To 31ST MARCH 1879.

MEMORANDUM REGARDING BUDGET ENTRIES.

The usual Annual Estimates are submitted to the Trustees herewith :—

CAPITAL ACCOUNT.

A further sum of Rs 21,48,000 will be asked from Government for the Prince's Dock works,—bringing the expenditure to end of 1878-79 up to Rs. 65,86,000. The original estimate for the completion of the Dock was Rs. 67,43,397. Various alterations have since been sanctioned, and it is not yet certain what portion of their

cost will be met from the allowance for "Contingencies" included in the original estimate. A full statement of the various items that have been sanctioned is appended to the "Dock" estimate. Interest on the amount required for the construction of the Dock will, as was arranged before the commencement of the works, be added to the Capital cost of the Dock.

The several works included under the head of Expenditure on "New Works—Ordinary" have already been sanctioned by the Trustees, and call for no special remark. The amount required for them—Rs. 3,78,000—will, when advanced by Government, be added to the Trustees' interest paying capital.

REVENUE ACCOUNT.

The "Revenue" estimates show that the *Income* expected to be derived from all the properties vested in the Trust during 1878-79 is Rs. 13,97,300, against an estimate of Rs. 13,88,100 for 1877-78, an increase of Rs. 9,200 in the next year, while the *Expenditure* is estimated at Rs. 16,25,050 against Rs. 16,18,810 for 1877-78. The deficits thus brought out are Rs. 2,30,710 for 1877-78, and Rs. 2,27,750 for 1878-79. But, in making these comparisons, it must be remembered that all the figures are *estimates*: the actual receipts for 1877-78 bid fair to exceed by a large amount the estimate of them framed a year ago.

Looking at the different sources of revenue separately,—the income from "Bunder Properties" is estimated at Rs. 10,35,575, against Rs. 10,61,175 for 1877-78, being a decrease of Rs. 25,600. The following are the chief fluctuations:—

An *increase* is estimated—

(1.) In "Wharfage Fees" at Elphinstone Estate, of Rs. 21,000. This is accounted for by expected large Imports and Exports of Grain and Seeds, and Imports of State Railway Material.

(2.) In "Shed Rent," of Rs. 20,000, also from Grain and Seeds.

(3.) In "Rents" of Mody Bay Estate Rs. 1,620, owing to the gradual development of the property.

(4.) In rent at Tank Bunder Rs. 1,500, because of an expected increase in the Imports of Timber.

(5.) In Rents at Apollo Warehouses, Rs. 5,900.

On the other hand, a *decrease* is expected under the following heads:—

(1.) In "Ground Rents," Elphinstone Estate, of Rs. 17,000. Of this sum upwards of Rs. 9,000 is occasioned by the Imperial Press Company having given up their land, and Rs. 5,000 by a reduction of 33 per cent. in the rate of rent charged to the occupants of the "Iron Market." A considerable amount will also be lost by the extension of time during which Goods are permitted to remain on the Bunders free of rent, which has been lately allowed.

(2.) In "Cranage Fees," Rs. 1,500, caused by the recent abolition of the charge on packages under 5 cwts.

(3.) In "Cart Fees," Rs. 14,500, caused by the abolition of the fee of ¼ of an anna on every loaded cart passing over the bridges leading to the Elphinstone property.

(4.) At the Town Customs Bunder a decrease from Rs. 1,09,500 to Rs. 78,500, or Rs. 31,000, is calculated upon from Wharfage and Cranage fees. Competition with the Sassoon Dock and Arthur Bunder is the cause of this anticipated falling off.

(5.) At Apollo Reclamation a diminution of revenue from Rs. 24,000 to Rs. 14,000 is allowed for, in case any considerable portion of the Cotton trade should continue to make use of the Mazagon Reclamation.

(6.) At Chowpatty Bunder the estimate of revenue has been decreased from Rs. 5,800, at which it stood in 1877-78, to Rs. 3,800, because, as the Traffic Manager states, "one-half of the firewood merchants from that place have gone to Mazagon lately."

The income from "Harbour Properties" is estimated at Rs. 3,18,000, against Rs. 2,83,100 for the year 1877-78, being an increase by Rs. 34,900.

The chief differences are—

(1.) In "Port Dues" for which an increase of

Rs. 17,000—*viz.*, from Rs. 1,36,000 to Rs. 1,53,000 has been allowed.

(2.) In "Water Supply to Shipping" increased Rs. 3,000.

(3.) In "Pilotage Fees" increased Rs. 9,000—*i.e.*, from Rs. 1,06,000 to Rs. 1,15,000.

These increased estimates appear to be fully justified by the past two years' experience.

The income derived from rents of Foreshore Properties is collected by Government and made over to the Trustees, and from its nature is, necessarily, of a stationary character. The figures are Rs. 43,725 against Rs. 43,045 for 1877-78.

In the estimates of Expenditure on "Revenue" account, there is not much alteration from last year, the total being Rs. 16,25,050 in 1878-79, against Rs. 16,18,870 in 1877-78.

The following are the only items to which attention may be directed. A saving of Rs. 2,160 is sought to be effected by the amalgamation of the office of Signal Officer with that of Master Attendant. Both the "Inner" and the "Outer" Light vessels require heavy repairs, in the one case involving an expenditure of Rs. 2,000, and in the other of Rs. 4,500, over the estimates for 1877-78. A Steam Cutter for the use of the Master Attendant's Department will be provided in lieu of a gig which has been condemned. Provision is also made for the employment of a Steam Tug during the monsoon months, at a cost of Rs. 5,070. Until last year a Tug was, at the expense of Government, kept in readiness to succour vessels in distress, in the vicinity of Bombay, but as Government have discontinued the service, provision is made for it, in case that the Trustees should determine to keep it up during the ensuing monsoon. On the other hand, various extra works had to be provided for in 1877-78 in connection with the Harbour properties, for which there is no equivalent in the ensuing year's estimates.

The Pilotage account is made up so that the expenditure, including the cost of repairs, and the provision of a Sea-going Steam Launch to take the place of one of the schooners, just equals the revenue.

Under the head of "Rents," an additional Rs. 4,500 is set aside for the rent of the Old Elphinstone Bunder, as required by the terms of the lease.

W. A. BAKER, Chairman.

Bombay, 7th February 1878.

SUMMARY.

ESTIMATE of INCOME and EXPENDITURE on Revenue Account in Year to 31st March 1879.

Estimated Income, Year 1877-78.	INCOME.	Estimated Income, Year 1878-79.
Rs.		Rs.
10,61,175	From Bunder Properties	12,04,000
2,83,100	„ Port Dues, Pilotage Fees, &c.	3,67,150
43,045	„ Rent of Government Properties on the Foreshore	43,725
780	„ Interest	...
13,88,100		16,14,875
2,30,710	Deficit	31,975
16,18,810		16,46,850

Estimated Expenditure, Year 1877-78.	EXPENDITURE.	Estimated Expenditure, Year 1878-79.
Rs.		Rs.
3,14,525	On Bunder Properties	3,08,300
2,53,285	„ Harbour Properties	2,83,200
1,29,790	„ Rents	1,34,290
59,900	„ General Charges	57,400
8,61,310	„ Interest	8,63,660
16,18,810		16,46,850

APPENDIX M.

NEGOTIATIONS BY GOVERNMENT TO ACQUIRE THE REMAINING FORESHORE PROPERTIES.

No. 61 of 1878.

CHAMBER OF COMMERCE, BOMBAY, *8th March* 1878.

The CHIEF SECRETARY to GOVERNMENT, Bombay.

SIR,—With reference to the negotiations now opened by Government for the purchase of the foreshore properties belonging to private owners, I am directed respectfully to suggest to His Excellency the Governor in Council that before any conclusion is come to the terms which Government propose offering should be made known to the Chamber, so that the trade of the Port may have an opportunity of expressing an opinion upon them.

In submitting this suggestion the Committee desire respectfully to remind His Excellency that when the Elphinstone property was being acquired, no reference was made to the trade, on whom the burden of paying the interest on the purchase money would have to fall, and as the price paid in that instance was considered by the trade generally as exorbitant, it is in the highest degree desirable that a similar mistake should be prevented in the acquisition of the remainder of the foreshore. Under existing circumstances advantages may doubtless accrue from the whole of the foreshore being placed under one management provided always that it can be obtained on reasonable terms, and without imposing burdens on the trade greater than it can bear.—I have, &c.,

J. GORDON, Secretary.

PROCEEDINGS OF THE GENERAL MEETING OF THE CHAMBER TO CONSIDER THE NEGOTIATIONS BY GOVERNMENT FOR THE PURCHASE OF FORESHORE PROPERTIES.

A GENERAL MEETING of the Bombay Chamber of Commerce was held on Friday, the 22nd of March 1878. The Hon'ble Walter

Lang presided, and there was an unusually large attendance. Among those present were :—Mr. Gilbert (Aldridge, Salmon & Co.), Mr. Dickson (Edward, Bates & Co.), Mr. Brandenburg (Bell, Brandenburg & Co.), Mr. Moore (Campbell, Mitchell & Co.), Mr. Maitland (Ewart, Latham & Co.), Mr. Symonds (Finlay, Muir & Co.), Mr. Forbes (Forbes & Co.), Mr. Sorabjee Framjee (Framjee, Sands & Co.), Mr. J. K. Bythell (Gaddum & Co.), Mr. D. Graham (W. & A. Graham & Co.), Mr. Cheetham (Greaves, Cotton & Co.), Mr. Sedgwick (Killick, Nixon & Co.), Mr. H. Maxwell and Mr. Hall (W. Nicol & Co.), Mr. Roberts (Owen & Okell), Mr. Poole (Peel, Cassels & Co.), Mr. M. Mowat (Ritchie, Steuart & Co.), Mr. S. D. Sassoon, Mr. E. Moses and Mr. S. Salmon (David Sassoon & Co.), Mr. Spinner (E. Spinner & Co.), Mr. J. Y. Lang, (Stearns, Hobart & Co.), Mr. Meili (Volkart Brothers), Mr. Richardson (Wallace & Co.), Mr. Janni (the Austro-Hungarian Lloyds S. N. Co.), Mr. Jones (the Chartered Mercantile Bank of India, London, and China), Mr. Baker (the National Bank of India), Mr. C. Grondona (the Rubattino S. N. Co.), Mr. Blascheck (A. Blascheck & Co.), Mr. J. Hector (the New Colaba Co.), Mr. J. Thorburn (Sir Charles Forbes & Co.)

The notice convening the Meeting was read by the Secretary.

The Chairman concluded the customary statement of the business which had occupied the attention of the Committee since the last Meeting of the Chamber with the following remarks on the negotiations entered into by Government for the purchase of the foreshore properties to consider which the Meeting had been more specially called :—

Members of the Chamber were aware of the steps taken by the Government of India for the acquisition of the property of the private foreshore companies in Bombay. The Committee had considered that it was necessary to take action in order to remind Government that this was a question in which the trade of the port was very greatly interested, and that it was a matter very deeply affecting the trade of the port. So far, this was all the action the Committee had taken in the matter ; and as this was a subject regarding which special resolutions were about to be moved, it was unnecessary for him to say anything more about it at present.

Mr. Bythell said, before he proceeded to move the resolutions of which he had sent a copy to the Secretary, he thought it might facilitate matters if the letter which had already been sent to Government by the Committee on the subject were read to the Meeting.

The Chairman said there was no objection to the letter being read. It was as follows :—

" The Chief Secretary to Government, Bombay.

" Sir,—With reference to the negotiations now opened by Government for the purchase of the foreshore properties belonging to private owners, I am directed respectfully to suggest to His Excellency the Governor in Council that, before any conclusion is come to, the terms which Government propose offering

should be made known to the Chamber, so that the trade of the Port may have an opportunity of expressing an opinion upon them. In submitting this suggestion the Committee desire respectfully to remind His Excellency that, when the Elphinstone property was being acquired, no reference was made to the trade, on whom the burden of paying the interest on the purchase money would have to fall, and, as the price paid in that instance was considered by the trade generally as exorbitant, it is in the highest degree desirable that a similar mistake should be prevented in the acquisition of the remainder of the foreshore. Under existing circumstances, advantages may doubtless accrue from the whole of the foreshore being placed under one management, provided always that it can be obtained on reasonable terms, and without imposing burdens on the trade greater than it can bear."—I have, &c.,

J. GORDON, Secretary.

Chamber of Commerce, Bombay, 8th March 1878.

Mr. BYTHELL said he was very glad indeed that the Committee had already written to Government to the effect which the Chairman had just mentioned. He did not wish to create any needless alarm, or to criticise in any unfair spirit the action of Government; but remembering what took place in connection with a similar transaction not very many years ago, he thought they had reason to be somewhat alarmed, and it would be suicidal on their part to remain silent when they saw Government rushing in this way to complete another big foreshore purchase, not only without consulting the mercantile community generally, but without even consulting the Port Trust Board, a body whose special function it was to advise Government in matters of that kind. Of course, it might be that the purchase, when completed, would turn out to be a very excellent thing for everybody concerned; it might also be that the Government of India, when giving their consent to this purchase, had not, as on a former occasion, stipulated that the completion of the purchase should be the final acceptance by the local Government of an enormous further debt on the trade of the port of Bombay; and it might be, that the two gentlemen who seemed to be going about this purchase in a very happy-go-lucky sort of way would chance to drive a very good bargain. But he said that so long as Government did not vouchsafe any information on the subject, they could not jump to the conclusion that every thing had been, and would continue to be, so very satisfactory. He was reluctant to re-enter on a discussion of the terms of the Elphinstone purchase, but inasmuch as that purchase might be said to have been the keystone or mainspring of every financial negotiation during the last nine years in connection with harbour matters, and must also be the foundation of negotiations, yet to take place, he did dot see how that transaction could be eliminated from the discussion of the subject. He knew that the details were fresh in the minds of many of the members; but, on the other hand, they must remember that there was in Bombay a very shifting community, and that there were many gentlemen present who were not in Bombay then, and to whom all the particulars were not known. Why, even the

personnel of the Government of Bombay had been changed twice completely since that purchase was made, so it was even possible therefore that the present members of the Government of Bombay might not have studied every particular in connection with the transaction, and if they had not, they really did not know the exact position in which the harbour financial matters now stood. Up to the spring of 1869, Bombay was provided with wharfage accommodation for all the wants of the trade by private enterprise. Beginning at the Colaba end, there were the Colaba Company, the Elphinstone Company, the Mazagon Company, and the Frere Company, all competing for the wharfage business. Each of these Companies was only too glad to welcome a trader who wished to land or ship his goods over its bunders, and all that he had to pay was the customary fee. Now, he said, one would naturally imagine that Government would have been content to let this happy state of things remain untouched, especially when it was known that one of the greatest difficulties in connection with the administration of the affairs of this Empire was that private capitalists would not provide the money for public undertakings. While in England the whole country had been covered with a vast system of railways without the Government having to provide or guarantee one single penny of the expenditure, he believed he was correct in stating that not one mile of the railways now working in India had been made without Government either finding the money or guaranteeing the shareholders who found the money. He repeated, therefore, that when Government found such difficulty in raising money for necessary public works—indeed, put off useful railways and irrigation works because they could not provide the money,—one would have imagined that they would have been only too glad to let private enterprise continue to provide, as it was willing to do, all the accommodation required for the trade of this port. But somehow it would seem that Government officials in this country could not divest their minds of the idea that nothing which did not bear the Government stamp could be genuine. Government would seem to imagine that whether it were a question of a merchant buying a bale of cotton or of a company providing bunders things could not go on properly unless a Government Inspector was there to take care of them; and he presumed it was acting on this principle that Government, in the monsoon of 1869, suddenly astonished Bombay by buying up the Elphinstone property for a sum closely approaching 2 millions sterling. Well, when the purchase was made, traders did not feel that they had any occasion to take alarm because it never entered into their heads that Government, knowing that they had then the use of the property merely on payment of the fees demanded by the company, as sanctioned by Government, would buy up that property to make them pay nearly double the amount they were then paying. They thought (he thought, for one,) that Government had some far-sighted project in view in connection with the Imperial Government of the country. However, before very long they were undeceived. Shortly after the purchase was made, a Bill was introduced and passed by the Legislative Council which gave the Bombay Government power

to tax all the trade of the port in order that money might be raised to pay the interest on the cost of the Elphinstone property. Then, naturally, the trade took alarm, and he believed that that Chamber wrote to Government over and over again during the years 1870-71, asking for information as to what the exact arrangement was between the Governments of India and Bombay, asking, that was, what the trade would have to pay. No information, however, was given by the Government of Bombay, and it was not until some two years and a half, he thought, after the purchase was effected that they got the information, not from the Government of Bombay, but, by holding an indignation meeting of the mercantile community and appealing to the Government of India. Well, when they got this information, what did they see? They saw first of all the arguments which had been made use of by the Government of Bombay in order to induce the Government of India to buy the property. He was not going to trouble the Chamber by reading any long extracts; he would content himself with mentioning what might be called the prominent argument. The prominent argument was that this property occupied such a central and commanding position, and was so rapidly increasing in value, that to leave it in the hands of a private company would soon lead to that company having a dangerous monopoly which would be hurtful to the interests of the trade. To show how fallacious and absurd that argument was, he would merely repeat what he had said before, viz., that there were four competing companies, besides the Government bunder at the Custom House for the landing and shipping of European goods; and he thought that that illustration of what the arguments were would suffice, for if that was the main one, they might readily judge what the subsidiary ones were. They also saw from the information they obtained, that the Government of India, in giving their consent to the purchase, stipulated that the completion of the purchase should be, as it were, an acceptance by the Bombay Government, on behalf of the trade of the port, of a liability not only to pay 4½ per cent. per annum on the cost of this purchase, which was something like 186 lakhs, but also on some other 80 or 90 lakhs of Government expenditure in the harbour, making a total of 280 lakhs on which the Bombay Government agreed the trade of the port was to pay interest at 4½ per cent. per annum, and which they agreed should be repaid within 30 years by a sinking fund, also to be raised by further taxation on the trade of the port. Well, was it not natural to imagine that when the Bombay Government obtained permission to buy this property under such stringent conditions, they would have sat down, as a prudent trader would, and considered whether the means at their disposal would enable them to pay all this? They all knew very well that if a trader did not take this precaution in his business, he would be soon involved in disgraceful bankruptcy; and one would have thought that those who were custodians of the public purse, who were spending, not their own money, but the money of the country, would have been doubly cautious. But they were apparently so overjoyed at such an unwonted circumstance as having a couple of millions to spend that they rushed in and bought the property, and then sat down to count the cost; and it was not until a year afterwards that they

wrote a most abject letter to the Government of India, stating that they were very sorry to find that they could not raise such an enormous amount of money, that they would have to impose heavy taxation on trade, such as increasing the port and shipping dues, and praying to be let off this bad bargain which they have accepted on behalf of the trade. The Government of India naturally replied indignantly that it was on the urgent representations of the Bombay Government (which differed very materially from the representations then made) that they had agreed to buy the property, and pointed out that the Government of Bombay had actually accepted the bargain, and asked them to show why they had done so when they had not the power nor the will to carry it out; and they drew attention to the fact that a most serious responsibility rested upon those gentlemen (the Government of Bombay) for having created a permanent debt of something like a million sterling on the general revenues of the country. And so this correspondence went on for a long time, but eventually, fortunately for the traders of Bombay, the Government of India, with exceeding liberality, while protesting against having to saddle the Imperial revenues with this new burden through the blundering, as it were, of the Government of Bombay, professed their willingness not to overburden the trade of the port, and, as members of the Chamber were aware, they reduced the debt from something like 280 lakhs to 206 lakhs, and agreed that for 10 years, instead of the trade paying 4½ per cent. on this money it should only pay 4 per cent. Such was a brief history of the transaction. He was sure that they would all agree with him if it taught them one thing more than another, it was that if Government would attempt to go in for big speculations of this kind imagining that they knew what the trade of the port required, they would fall into grievous mistakes. It might be said "what have you traders to do with it? You have been let off the bargain and do not need to complain." It appeared to him that the answer to that was that they had reason to complain if they saw the Bombay Government had accepted such a burden on their behalf. It was no mitigation as regarded the action of the Bombay Government to say that the Government of India let them off this bad bargain; and he said too that they ought to complain if not as traders, as citizens of the Empire, that the Bombay Government should create uselessly such a debt as eight or nine hundred thousand pounds. They all knew how much money was wanted for irrigation and other useful works for the prevention of famines, and that within the last few months Sir John Strachey had been obliged to increase the odious salt tax in those very districts which had just been suffering from famine, and he said that in the face of all this, no one could deny that it was a most serious reason for complaint that by this transaction a debt of some £800,000 or £900,000 should have been incurred since 1869, and that the country should have since then been paying, and would have to continue to pay, 4½ per cent. interest on this sum. He believed it had been said in connection with these matters, "Oh! You should trust Government; you cannot think that the Government have the intention of doing anything, in making these offers, to interfere with your trade." He said he did trust Government,

and he did not. He had thorough trust in the intentions of Government but he mistrusted their power to know what was good for the trade and mistrusted their acting on their own responsibility without consulting the trade as to what was right and what might prove hurtful. They all knew what multifarious business came before the members of Government (piles upon piles of papers from all parts of the Presidency in connection with all kinds of subjects), all of which they had to deliberate upon and give their decision with regard to; and he said it was impossible for men placed in that position and who had only been a short time in Bombay, having had more Mofussil experience than Bombay experience hitherto, to know exactly what would be good for the trade so long as they refrained from consulting the trade. If they did not wish to come forward and consult the Chamber of Commerce, or any other mercantile representative body, why did they not consult the Port Trust, so that the mercantile members of that board might have had an opportunity of considering and giving their opinion as to what would be good for the trade, and whether the trade could afford to pay the sums which Government proposed to pay for the property? If they read the correspondence between the Government of India and the Government of Bombay which he had referred to, they would find that soon after the Elphinstone purchase was made the Government of Bombay wanted certain grants from the Government of India for harbour expenditure, and that the Government of India wrote back peremptorily and refused to make any more grants until, as they said, the schemes for which the money was to be spent had been submitted to local discussion and the opinion of the Port Trust Board, on which mercantile members should be fairly represented, had been given. He said it was in direct contravention of this condition, which was one of the terms of the bargain between the Government of Bombay and the Government of India, that the Government of Bombay should now come forward and attempt to decide, simply from what they themselves imagine to be the requirements of the trade, what was needed. He believed it had also been said that secrecy was needed in these matters, because if they were not kept secret, there might be stock-jobbing transactions in connection with them, and the purchaser might have to pay more money. He thought these were exceedingly fallacious arguments. If a big transaction such as he had mentioned was pending, it was impossible to keep it secret from everybody; it must ooze out, somebody must get an inkling, and that somebody was enabled to go and speculate on his own account at the expense of other shareholders. It would have been very much more reasonable, and fairer to all concerned if all shareholders had been informed of what was going on, and had an opportunity of speculating also if they thought fit. And then as to the price. Did they suppose that, if before buying the Elphinstone property, Government had requested a Commission on which mercantile men were represented, to say whether they thought it would become a dangerous monopoly, and whether it would be a good thing for Government to buy it up at a price nearly double the capitalised net revenue of the property at the time, and with the idea that the trade should pay for it—did they imagine that it would have

been bought, or if it had been bought that it would have been bought at that price. And he said now in connection with these properties that the proper way was for the Port Trust Board to have all the details laid before them,—details, firstly, as to what it was proposed to pay for the property, and, secondly, what the financial arrangements were which would be necessitated, and then for Government, having heard their opinion, to decide what should be done. He contended that doing the business in that fair, straightforward and open manner, if the properties were to be bought, would not lead to one penny more being spent in payment for them. He believed some gentlemen had said that they approved of the purchase of these properties. Well, under certain circumstances, he (Mr. Bythell) would approve of the purchases, but in the meantime, who knew what those circumstances were? They might be sure that the Government of India had not agreed to spend that large amount of money without the Bombay Government promising that the trade should undertake some responsibilities in connection with it; and he said that before asking the traders to approve of the purchase they should know what those responsibilities were, and should ascertain if their trade was in a position to take them. At present it was asking them to approve they knew not what. If he were told what the exact terms were, and they seemed fair, he also would very gladly approve the purchase. There was one thing he would like to say before sitting down, and that was that he hoped it would be distinctly understood in this matter that he wished to attach no blame to the shareholders of those companies who had sold, or who wish to sell, their property. If he had been a shareholder in the Elphinstone Company, or an owner of any foreshore property now, he should consider he was acting fairly, justly, and honourably in driving the best bargain he could with Government. The shareholders had to look after their own interests, and if they could sell their property at a good price, they were quite justified in doing so. But the Chamber had to look at it from another point of view. They had to remember that Government certainly intended to make them pay for it, and before they passed a resolution approving the purchase, they should consider that when Government got it into their possession they (Government) would have a dangerous monopoly. It might be said again "you must trust Government; you do not suppose that Government are going to do anything unfair." But they knew that so lately as 1869, the Government had the intention of making them pay 4½ per cent. per annum on every penny expended in harbour works; and they had not heard from Government that it was not their intention now, when they got possession of that monopoly, to make them pay interest on every penny of harbour expenditure, whether it was useful and judicious or not. In conclusion, Mr. Bythell said the main points he had wished to enforce were that the experience of the past showed that if Government would enter into those big transactions merely on their own idea of what the trade required, they were liable to costly and fatal mistakes, and that the very fact of Government entering into those negotiations without consulting the Port Trust Board was in itself such an unwise action that they might justly fear the whole transaction when it came to

light, if concluded, would be equally unwise and unpolitic. For these reasons he maintained that they ought not to relax their efforts, and ought not to leave any stone unturned, but should agitate persistently and energetically until Government gave them the information for which they asked. (Applause.) Mr. Bythell then formally moved the following resolution :—

"That this Chamber regrets that the Government of Bombay should have taken steps to buy up the foreshore rights in this harbour without having first consulted the Port Trust Board as to the advisability of the purchase, the terms thereof, or the financial settlement which the purchase will, if concluded, render necessary.

"That this Chamber respectfully claims a right to be consulted before the local Government accept on behalf of the trade of the port any readjustment of the capital debt, or any further liability to pay interest in respect of expenditure on the foreshore property.

"That if the sanction of the Government of India to the purchase of the foreshore properties has been given subject to the local Government undertaking that the trade of the port shall accept any such readjustment of debt or further liability to pay interest, then this Chamber protests most strongly against the purchase being concluded until the opinions of the Port Trust Board and of this Chamber shall have been taken and made known.

"That the Committee of the Chamber be instructed to send in a respectful memorial, embodying the foregoing resolutions, to the local Government, with a request that a copy thereof be sent forthwith to the Government of India."

Mr. MOWAT had much pleasure in seconding the resolution which had been so ably proposed and so exhaustively treated by his friend, Mr. Bythell. He had made out a good case, and looking at the nature of the subject he could not fail to do so. It was one of the first principles of good government that the people who were to be under the laws should have a voice in the making of them—similarly, those who were to pay the revenue to be collected to meet all expenses in connection with this Port should have a voice in the settlement of any great impending questions which might entail fresh charges on a trade, which was at present suffering from prolonged depression. They were all more or less surprised to learn a fortnight ago that Government had made proposals to the owners of private properties along the foreshore for the acquirement of their rights, without consulting either the Port Trust or the Chamber of Commerce. The representatives of the mercantile interests of the city, or at all events a portion of the same, very naturally wished to have a voice in any settlement, especially seeing that such might result in the imposition of additional port fees. As yet they had not been favoured with a reply to the letter which the Committee of the Chamber addressed to Government two weeks ago. Although, in striking a bargain, it might be necessary to limit a secret to as few as possible, now that the details had been published in the local papers, the assistance of the mercantile representatives of the Trust or of the executive of the Chamber might be secured

with advantage. As the sanction of the Government of India was required before finally closing any purchase, they had yet time to be heard before the bargains were concluded, more especially as he saw it stated in that day's *Bombay Gazette* (a paper which is usually well informed) that several of the offers were likely to be refused. This result must lead to further negotiations. From what he could see opinions were divided as to the benefits of continued competition by the proprietors of private bunders and the acquirement of the whole foreshore under one trust, which would command a monopoly. A great deal (said Mr. Mowat) can certainly be said on both sides, but now that Government has resolved to become purchaser of the Mazagon and other companies on certain terms, a great deal of the evils of a monopoly might be overcome if we are only fairly treated and liberally represented at the board of the new Trust. For my own part I think it will be a great advantage to have the various trades located at the most suitable places. We all more or less regret the diversion of the Cotton Green to Mazagon, although we condemn the policy which brought about the change. The most of us have cause to complain that at present in the landing of goods we find part of a consignment at one bunder and the balance at another, and that often the ship which brought the goods may have left the port before the necessary check of the various articles can be made and a claim rendered for short delivery. These and similar disadvantages might to some extent be got over by one management, and the saving in working expenses would enable Government to deal liberally with the trade. We claim to be heard as to the burdens which we shall have to bear. We are anxious that a correspondence such as took place between the Government of India and the Government of Bombay prior to the formation of the present Trust should not mark any arrangements for the enlarging of the property. The revenues of the Trust, although increasing, still fall short of the interest required by Government on one portion of the debt, namely, the interest bearing ; and although there is no clause in the Port Trust Act which would compel the trade to make good the deficits of bygone years (for Government has failed for any good reasons to admit the remedy the Act allows), still we find such deficits added year after year—and figuring in the capital account as presented in the Administration Report. Gentlemen, the Trust requires remodelling in many ways, and I hope this will be seized on as a favourable opportunity of doing so. All property in Bombay has fallen very materially in value, and this fact Government is keenly alive to. Fourteen years have not yet passed since several public spirited speculators of this imaginary El Dorado, who were to—

> "Bid harbours open : public ways extend :
> Bid the broad arch the dang'rous flood contain,
> The mole projected, break the roaring main,
> Back to his bounds their subject sea command"—

(applause)—paid 40 lakhs of rupees to Government for the Gunpowder Works at Mazagon, and now the former seller comes forward and offers 16 lakhs and the remission of some ground-rent for the major and more valuable portion of the same property after several lakhs have been spent in improvements. I say that

this is a strong illustration why Government should consent to re-value its own properties before settling what taxes the trade will have to bear under the new Trust. I advised a re-valuation at a meeting held in this room in July last. In the Government books of the Trust the Elphinstone estate stands at 197½ lakhs. Yet the gross revenue of the property is only 8 lakhs, equal to about 4½ lakhs net, or, say, a return of 2¼ per cent. per annum. This revenue capitalized at 20 years' purchase would give 90 lakhs—a sum very wide of the amount which I recently named. Again, what is to be the ultimate of the 50 lakhs of capital not at present bearing interest, and what is to be done with these, so far, chronic deficits which now amount to several lakhs of rupees? If there is no fresh adjustment made,—when the cost of the New Dock, Sassoon, Colaba, Mazagon, Frere, and other foreshore properties is added to the existing capital, the total will be very little short of 4 crores of rupees. Now, in order to raise interest on this sum and pay the cost of collecting revenue and maintenance (which in the present Trust reaches nearly 50 per cent. of the gross), you must get a total revenue of from 25 to 30 lakhs of rupees. I have not the slightest hesitation in saying that this would be an enormous burden on the Port; and might tend to drive trade from it. It is our duty, as far as possible, to prevent such a result. The difficulty can be overcome by Government, when in possession of the monopoly, consenting to a fresh valuation of the foreshore as before suggested, and only charging moderate interest on the same, all excess of interest to go towards remission of Port and Dock dues. McCulloch, writing of the Mersey Docks and Harbour Board, says: "Whenever there is any considerable surplus revenue, after providing for current expenses and the interest of money borrowed, it is applied to the reduction of the dock rates." There is another important point to which I must direct your attention. At the new Trust Board the mercantile community ought to be amply represented. According to Mr. Baines the following system of election of Port Trustees is followed by the Mersey Docks and Harbour Trust:—"The board consists of 28 members, of whom 24 are chosen by parties who pay at least £10 a year dock dues and who must themselves pay £25 each of said dues. The other four members are nominated by the Conservators of the Mersey, that is, by the First Lord of the Admiralty, the Chancellor of the Duchy of Lancaster, and the Chief Commissioner of Woods and Forests, for the time being." Were the same liberal mode of representation allowed in Bombay, the mercantile community would have just reason to be satisfied, but at present the Chamber has no voice whatever in the election of Trustees. It always had the power of electing a member to the old Harbour and Pilotage Board, which is now merged in the Port Trust, but nothing has been given in exchange for the privilege thus taken away. In order that the Chamber may be fully represented at the new board two at least of the directors should be entitled to seats *ex Officio*, for the Chamber should not be dependent on chance representation, as at present. I believe that one gentleman who has worthily filled the chair of this Chamber and who is soon to leave us is at one with me. The general body of merchants should also have a voice, and I am in

favour of other public bodies, such as the Municipal Corporation' being represented as suggested in one of the daily newspapers some time ago. The native representatives might be elected by those native merchants who pay up to a certain amount of dock or other dues. Of course, from the important stake which Government has in the harbour, the official representation is certain to be always ample. The question of the separation of the dock and land estates is an important one, but as it is not directly before us, I shall not enlarge on the subject here. Gentlemen, regarding the offers for the foreshore properties which have been made public, I think Government has been very liberal towards some of the private proprietors, whether the offers are accepted or not. Of course, I judge by the present state of matters and not by the abnormal prices of land which ruled during the American War. The private companies I admit are right in making as much as they can get and driving as hard a bargain as possible. The Colaba Company's revenue from bunder fees last year only amounted to Rs. 45,179, and if you deduct the expenses of collection, you reduce the net figures to Rs. 37,740. An offer has been made of 10 lakhs in 4 per cent. bonds, the interest on which will be Rs. 40,000 per annum. If the offers for the other properties are equally liberal, the private owners will have little reason to complain. Gentlemen, I think the resolution now before us is drawn up in very moderate terms, and whether it or the amendment is carried I trust that Government will accede to our very fair request: our only reason for taking this step is to protect, as far as in us lies, the great and the growing trade of this important city. (Applause.)

Mr. J. A. FORBES moved, as an amendment:—

"That this Chamber believes that the negotiations which have been entered into by Government to acquire the Bombay foreshore properties can be so arranged as to prove conducive to the good of the trade of the port, but as this will depend on the form given to the new Trust and the amount of its capital liability, the Chamber trust that it will be consulted on the subject before anything is decided as to the constitution of the Board and the re-adjustment of the debt of the Trust."

Mr. FORBES said that he found it impossible to concur with the general sense of the resolution proposed by Mr. Bythell, or with the particular wording of some portions of it. He thought its general tone was rather that of complaint before they knew exactly what was the cause of their complaint. The resolution assumed that some damage or harm was going to be done to the trading interests of Bombay. He thought it was time enough to cry out when they knew the circumstances more fully; and seeing that the Chamber had already written a very reasonable and proper letter to Government asking for that information, he thought it would have been better to avoid coming forward with a resolution which would pledge the Chamber to an expression of complaint. He was unable to join in the regret expressed in the first paragraph of the resolution that Government had not consulted the Port Trust as to the advisability of the purchase; he did not see why the Chamber of Commerce was called upon to express any

regret that Government had not thought proper to apply for information or advice to a body of their own creation, which contained for the most part their own servants, and only a few nominees of Government selected from the commercial community. He thought it must be evident to everybody that if the Port Trust was possessed of any valuable information which might be a guide to Government in making their bargains with the owners of the foreshore property, all such information was at their service without asking officially for it. So far from feeling regret that Government had acted promptly and had actually proceeded to make offers instead of spending time in consultation, he was extremely glad that they had so acted, because he thought it was high time a stop was put to the very unseemly and almost unnatural state of things which had prevailed in this port for a series of years, of Government competing with private traders for the business of the foreshores and the harbour. He thought that importers and shippers of goods were not the only classes who ought to be considered as coming under the wing of the Chamber of Commerce. There were many other classes who conduced greatly to the prosperity of a great port like this, and who were quite as deserving of the attention and the care of the Chamber. Those who provided accommodation on the foreshore, who shipped and unloaded cargoes, who prepared goods for shipment by pressing, were all, in one sense of the word, traders, and the trade which they carried on was quite as much in need of being protected from the undue competition which had lately prevailed as that of mere importers and exporters. He supposed that in no other place in the world would it have been found that the Government had carried on such a strong competition, backed by the whole resources of the Indian Empire as had been seen in Bombay. The fees on the wharves had been reduced enormously, but at the sacrifice of those who had invested large sums of money in purchasing those properties from the Government of India. There could be nothing said in defence of this state of things, and it was no doubt because of Government seeing and admitting that fact, that they had at last come to the conclusion that something must be done to put a stop to it. There were only three things that they could do,—either to carry on the competition with still greater vigour than ever until they had exterminated all their opponents and got the field free to themselves; to do what they were now doing, and buy up their opponents; or to leave things as they were, and that could not be tolerated any longer. He thought, therefore, that it should be a source of satisfaction that there was now to be an end of this state of things. Whether the offers that had been made by Government were liberal or not was not a question which the traders had to decide, that was a question to be decided between those who had received the offers and Government who had made them. As to what would take place when Government had acquired the whole foreshore properties was another question. (Hear, hear.) As to that, he confessed he quite shared the anxiety to know what was really intended that had been expressed by the proposer and seconder of the resolution. But he thought the way to act under those circumstances was not to assume that they were going to be ill-treated by Government but to

rather assume the contrary, and to wait until they could get fuller information. Because a mistake was made in the original purchase of the Elphinstone property, a mistake for which the trade of the Port was likely to suffer more or less for a considerable time, still there was no reason to suppose that a similar mistake would be committed, and that the trade would be hampered with an unduly large amount of interest. (Hear, hear.) He had very little fear but that Government would take a liberal view of the matter, and there was some consolation to be found in the fact that undoubtedly the revenue which could be raised were the foreshore properties all under one management would be very large indeed, while, on the other hand, the expenses of management would be very greatly reduced. As the trade of Bombay expanded, no doubt the charges would become lighter and lighter. He would instance one article, opium, the charge upon which had been reduced from one rupee a chest to a merely nominal one of two annas a chest. That article could not doubtfully bear the old duty which was imposed upon it or probably nearly treble as much, without any harm being done to the trade. That alone would bring in a revenue of about a lakh of rupees a year. He believed the cotton trade itself, though it had much to compete with from America and therefore ought to be very tenderly handled, could bear a very considerable increase on the wharfage dues per bale without any appreciable harm being done. Looking to these considerations, he thought the Chamber might fairly go to Government with a request that they would give them the earliest possible information as to what they (Government) intended to do after the purchases had been concluded: but at the same time he thought the resolution to be adopted ought to be worded in a different style from that which had been proposed by Mr. Bythell, and he submitted to the consideration of the meeting the amendment which he had read.

Mr. J. Y. LANG seconded the amendment, and said that his reasons for opposing the original resolution were,—first, that he considered it unreasonably strong and that it attempted to arrogate to them powers which they had no claim to; and, secondly, that the steps taken by Government in this matter were after all but a fit answer to the resolution which was passed by the Chamber of Commerce on the 24th July last. They were then at the 22nd March 1878, and he would like to read to them the opinion of the then chairman of the Chamber on the 24th of July last as expressed in a speech which was applauded by the Chamber. The Chairman then described the Port Trust in the following words:—"We pictured to ourselves at Port Trust mainly composed of merchants, and working in co-operation with the trade, the one providing accommodation and facilities for the trade, and the other willingly paying for the services so rendered. Such expectations, however, it can scarcely be denied, have been much disappointed. The Port Trust was formed in the spring or summer of 1873; but instead of co-operating with the trade, it is, I think, notorious that ever since its formation, it has been in a position of antagonism to the trade." And, again, further on in his speech, the Chairman said a board was at the best a cumbrous and unweildly system of management, and utterly unfitted to compete

with the private companies under the management of men keenly alive to their own interest. He also said the Port Trust had been "entirely outmanœuvred by the competing companies, by the Colaba Company in 1873, by the Sassoon Company in 1875, and by the Mazagon Company last year" (1876.) That was on the 24th July last, and now they were asked to turn round and complain to Government that that Port Trust, which had been so much abused, had not been consulted. [Hear, hear.] But he went further, and said that they were now, as on the 24th July last, crying out before they were hurt. The Chamber then [in July last] passed a resolution to the effect that they observed with anxiety the rapid growth of the deficit of the Port Trust, and requested the Government to intimate as soon as possible how it proposed to deal with this increasing deficit. As he pointed out on that occasion, he considered that the proposer and seconder of that resolution took far too unfavourable views of the position of matters, and his expectations had turned out correct. The accounts of the Port Trust last year, instead of a very heavy deficit, showed a surplus, and the estimated revenue for this year, after allowing for some pretty large works, was calculated to be only about Rs. 20,000 short of the expenditure. So it appeared to him that they had been rather forcing the hand of Government, instead of quietly enjoying the privilege of shipping goods over the bunders at what might really be called nominal rates. It had been stated that the Port Trust had not been consulted, but he said the Port Trust had been consulted. He had seen a confidential report, which he believed was called for, and which was at any rate furnished to the Government of India by Mr. Ormiston, twelve months ago, on the subject of foreshore properties in this island not owned by Government. He did not think it could be said that the Government were going about making these purchases in a haphazard manner. The Chairman of the Port Trust had been consulted very fully, and was present when the offers were made; and he [Mr. Lang] believed he was right in saying that, far from going on a haphazard principle, the gentlemen who had been entrusted by Government with these negotiations, had shown a knowledge which rather surprised the gentlemen who went over to tender their properties. Government had taken the steps in the matter which they thought best; and it was a very great question, whether important negotiations of this kind should not be managed with the greatest secrecy.

Mr. HAMILTON MAXWELL said he had been under the impression that it was the general wish of the mercantile community of Bombay that Government should purchase the foreshore properties which were at present in the hands of private owners. He had been very much astonished to see the first resolution brought forward by some members of the Chamber and to hear from the speeches that had been delivered, that they seemed to condemn the action of Government entirely in buying those properties.

Mr. BYTHELL.—No, no.

Mr. MAXWELL further said that members of Government who had consulted merchants on the subject had been given to understand that it would be to the advantage of the whole community

were the foreshores to be acquired by Government; and he said it was the duty of Government to buy those properties on the best terms they possibly could for themselves. There was no doubt, as Mr. Lang had said, that Government had the full benefit of the practical advice and wisdom of the Port Trust, and also the advice of the very efficient officer of the Port Trust [Mr. Ormiston] who made a private report to them. That being the case, he thought it would have been very foolish on the part of Government to blazon abroad their desire to buy the foreshores. It would have raised the price and created a great deal of speculation amongst the companies. He objected very much to the wording of the resolution. He thought it was the duty of the Chamber to approach Government in respectful and modest language and not to assume a position which they could not possibly maintain. The resolution did not seem to pay any attention to the interests of the sellers of these properties, who might object very strongly to Government making public their offers before they had fully considered them. He thought that alone would prevent Government from making the offers public, and his opinion of the action of Government was that they had acted very wisely indeed. Had they come forward at any other time, he did not think they could have acquired the rites of the foreshore on the same moderate terms on which they could do now. He thought the offers were totally inadequate to the real value of the large areas of land possessed by the private proprietors of foreshore rights.

Mr. HALL wished to say a few words because, having sat at the Port Trust Board for some time, he had some little knowledge of the foreshore properties. He had listened very carefully to the speeches made by the mover and seconder of the resolution and also of the amendment, and the conclusion he had come to was that there was really not very much difference between the two propositions. They were practically at one in what they wanted, at least in the main point, and the differences between them were of so minor a character that they might very well be put aside; and there being no real divergence, he thought it might be possible that the movers and seconders might prepare a resolution which could go from a unanimous Chamber to Government. The result would be that they would make their voice heard with greater force than if they had a division and carried a motion by a majority, instead of going to Government with a resolution on which they were unanimous. He sympathised with the meaning of Mr. Bythell's resolution, but he did not quite sympathise with the terms in which it was couched. He thought it was always better to reserve anything like a protest until all quiet and reasonable arguments had been tried. When these failed, it was quite time enough to protest. He sympathised thoroughly with the last part of the resolution, because he thought the Chamber ought most assuredly to be consulted as to the burden they would have to bear. The burden would be the traders' burden, and it was right that they should know what they had to pay, and what they had to pay it for. Mr. Bythell had told them that the *personnel* of the Bombay Government had been changed twice since the purchase of the Elphinstone Estate, and that being so, it was hardly fair for the

Chamber to go to the present Government and assume that they had all the faults of their predecessors. They should rather assume, in the first instance, that Government were disposed to deal with them in a fair and proper spirit, and they should approach Government in conciliatory terms. He did think it would have been well if Government had not left this matter entirely in the hands of officials. Without wishing to say anything derogatory to Mr. Ravenscroft, who was a member of the Port Trust and knew all about the matter, or to Colonel Anderson, whom he took to be a man of fair and liberal ideas, still they looked at the question from a different stand-point than that from which the merchants viewed it. There were such men as Mr. Kittredge and Mr. Graham on the Port Trust, and it would have been well if Government had taken them into their councils. It might have been entrusted to the honour of those gentlemen not to divulge secrets, and they might have given Government very valuable assistance and advice. He was not very much afraid of tremendous burdens falling upon the trade owing to the acquirement of these properties, always supposing that they were acquired on anything approaching to the terms which had recently been offered. He knew himself that the amount of revenue which Government had offered to some of the private companies was not equal to the revenues they were at present getting from the fees, which they levied; and he saw no cause to fear that the trade would have to pay very much more. Supposing the capital debt of the new Trust was fixed at 4 millions sterling, bearing interest at 4 per cent. with anything like judicious management, the trade of the port need not be burdened with such high rates as were paid in other ports, Calcutta for instance. He suggested that a resolution should be drawn up between the movers and seconders of the resolution and the amendment, confined to the one great point they had in view, which was that before the settlement of the capital debt and interest and the general formation of the new Port Trust, they should be consulted and have a voice in the matter. That was really the only important thing they wanted, and he thought they should content themselves with asking for it respectfully and quietly from Government. (Applause.)

Mr. DONALD GRAHAM said Mr. Lang had quoted some remarks from a speech which he (Mr. Graham) had made about six months ago, and had identified them with the views of the members of the Chamber who were then present. It was, of course, unnecessary to say that those were his views alone, and that the Chamber were in no way responsible for them. Those views were his own, and were quite consistent with what he had held since and held at present. He was distinctly of opinion that in this matter, Government ought to have consulted not only the Port Trust but the trade of Bombay, who were interested and able to give valuable information and opinions about it, and who moreover were responsible for payment of interest on capital expended. A great deal had been said about secrecy, but as a matter of fact an announcement appeared in the newspapers three or four days before the offers were made. He sympathised altogether with the wharf owners and was sorry for the position they seemed to have got into, but he could not allow his sympathies to

override what he felt to be for the public interest. The fact was that there was a mania for wharf building a number of years ago, and wharves were built far in excess of the wants of the trade, and the natural result had followed. The same was the case with the American railways. Some 10 or 12 years ago, there was a mania for railway making in America, and during the last few years there had been no less than 84 railways sold under foreclosures, and they had changed hands at a reduced capital of 50 per cent. And there were 60 more railways in course of the same process. In the case of the foreshore properties in Bombay, the fall in value had been even greater, because at the time when most of those properties were made, reclamation cost some 15 or 20 rupees a square yard superficial area, where it could now be done for 4 or 5 rupees. He believed that was the estimate for the reclamation about to be commenced at Colaba, including walls, and everything. Mr. Lang had stated that the Port Trust had been consulted; but he was under a mistake about that. The Port Trust had not been consulted. He believed the Chairman of the Port Trust was consulted but that was all, and he could not admit that the Chairman was a representative of the Trust in such a matter [Hear, hear.] Mr. Lang had also said Mr. Ormiston had drawn up a report for Government, and seemed to suppose that Government had based their offers on that report. He [Mr. Graham] was not at liberty to mention particulars of documents that had come before the Port Trust and which were supposed to be secret; but he should strongly recommended the Chamber to ask for a copy of Mr. Ormiston's report, and they would be very much interested to compare the prices which Mr. Ormiston recommends with the prices which had been offered. [Hear, hear.] With reference to what Mr. Forbes had said about what he called unnatural state of things on the foreshore Mr. Graham admitted that there had been confusion to some extent for some years past, but he believed all would admit that that had almost entirely passed away, and that now there was very little confusion. He maintained that it had not been owing to any unfair competition, but simply to the revolutions which had taken place in the foreshore properties, by the divergence of trade from one bunder to another. A great deal had been said about the unfair competition of Government, that when these foreshore companies were started it was on the distinct understanding that Government was not to compete with them; but it seemed to him that that was altogether contrary to fact. Most of those companies were started in 1861 or 1865, except the Colaba Company, which had a portion of its property opened before that, but at that time Government were claiming Mody Bay, and the distinct intention was that Mody Bay was to be opened for trade purposes. He remembered a discussion at that time as to whether wet docks should be built or landing basins only; and there was a discussion in that Chamber early in 1866 on that very question, when, though a number of speakers took part in it and a great deal was said, not a single word was spoken as to Government competition with the private companies. In fact, the idea was not thought of; it was an afterthought which had come out since. He was sorry for the companies, but he could not help

thinking that everything they had done was with their eyes open, and they knew or might have seen perfectly well what they would have to meet. He could not make out a single case in which they had suffered from unfair competition. The natural result was that whenever a thing was overdone it became unremunerative. He should like to say a word about the monopoly. He felt strongly on this point, and he earnestly begged them not to have the evils of a monopoly, and a great monopoly, too, which would have a large revenue to collect, and with practically unlimited and almost irresponsible powers for collecting it. At present, their trade was free, and the economies and savings in little details which every trader was forced to adopt in a system of open competition stimulated trade in the very highest degree; and he said that those little economies and savings were just what were required to enable their trade to hold its own again the rivalry of other ports. When they had a monopoly, all that was done away with, and all life and energy were taken out of it; the whole trade which passed through a monopoly was reduced to a dead level, and they lost the best guarantee for a economical and efficient management. Another result of any great monopoly was that when traders had complaints to make of damage or loss, they had no satisfactory redress. This monopoly would have a certain amount of money to raise somehow, for which fees would be levied which they (the traders) must pay. He therefore urged them strongly to beware before it was too late, and not sanction such a monopoly without understanding more fully about it. In conclusion, he cordially approved of Mr. Hall's suggestion that some effort might be made to combine the two resolutions that were before the Chamber. Practically the meaning was not very different, and he thought that some modification might be made in each of them.

MR. SOLOMON said Mr. Graham had intimated that there was no sort of competition between the Port Trust and the private bunders more than they had a right to expect when the owners of private properties first purchased them. In saying this he thought Mr. Graham had overlooked the fact that the owners of these private properties had to apply to Government for permission at every step they took. In the first place the extent of their custom staff and the amount they had to pay for it was fixed by Government before any traffic was allowed to pass over their bunders, while the Port Trust paid nothing at all for this item. Then, at every step taken in working the business of the private properties, the Customs authorities came in with their interference. Every one conversant with the working of the private bunders knew that the Customs officers threw every sort of impediment in the way, with a view to driving the trade away to the public, or Port Trust, or Government bunders, by whichever name they were called. Then, again, the town duties caused another difficulty. There was no collection of town duties allowed to take place on any private bunders, although representatives of the Port Trust were sent there, apparently for the purpose of looking after town duties, but really to watch the actual trade which was done, and who were the people who did business there, with the view of attracting them to the Port Trust bunders. He might mention as an illustration of the way in which things were managed that many

steamers had come out to Bombay with the intention of entering the only dock that now existed here, the Sassoon Dock, and had been prevented from doing so, during the present season, by the action of the Port Trust and Government together, in giving special orders through the Master Attendant that those vessels should be taken to the upper end of the harbour and so preventing them from discharging in the Dock the goods for private consignees. He did not say that Government were responsible for this, but the officers of Government were, and it had been done during this very season. Another case in point was that when the Sassoon Dock property was purchased, and before the dock was projected at all, the first intention of the proprietors was to construct a pier which would have been sufficient to accommodate all the steam trade of the Port, but the Government positively refused permission unless the fees were paid over to the Port Trust. If that was not unfair competition, he did not know what was. He thought these things would prove to the Chamber that there was competition to be complained of, and that it could not be said that the Government were treating the owners of private properties in the very gentle and even-handed way which might be supposed to be the case from the remarks of the preceding speaker. As to the general question of a Government monopoly, which had been spoken of as dangerous, he thought it could very well be arranged in such a way that the charges should not be sufficiently high to form any burden on trade, and it would have the advantage of doing away with the present system by which certain merchants were enabled to obtain concessions and to do their business at a cheaper rate than the general run of the trade. It is quiet clear that if all merchants pay the same rates as will necessarily be the case when the foreshore is all under one organization, the charges can be raised to any reasonable extent without becoming a hardship to any one, so that in fact the friends of the present system of competition are supporting it in their own individual interests and not in the interests of trade generally. In considering the question of the Government purchase of the private foreshore properties, it must not be forgotten that they would purchase an income with the properties —they would bring their own 4 per cent. with them; but an enormous amount of money was being spent on the Prince's Dock, which would be unproductive, and that was the amount which they must ask Government to take off, if anything was wanted to be taken off, because the whole of the trade of the port passed over the bunders already, and must be taken away from them in order to be diverted to the Prince's Dock. If any heavy fees were put on, they would fall on the shipping, and the shipowners or their agents ought to say "you are making a dock to bring our ships into, for which we shall have to pay fresh charges, and this dock will add no benefit to the trade or to us, because every facility is given already." If anything was to be cavilled at, it was not the private bunders but the Princes's Dock, which should be found fault with, and the cost of which should be deducted from the capital of the new Trust.

Mr. GRAHAM stated that the steamers which had been kept out of the Sassoon Dock had brought out large consignments of Gov-

ernment stores, and according to the Bills of Lading, the Consulting Engineer for railways had the power to deal with them, and he ordered them to lie in the place most convenient for landing the Government stores.

MR. SOLOMON.—That was done without considering the remainder of the consignees, and was certainly an arbitrary act.

MR. GRAHAM further said he should be sorry if any remarks of his could be understood as countenancing such things as Mr. Solomon had complained of regarding the customs charge on the private bunders, and the prevention of Messrs. Sassoon and Co. from building a pier on their property. He thought that was a gross injustice, and any movement to obtain a re-consideration of that would have his most cordial support. As to the customs charge he thought that the private Companies ought to be put on exactly the same footing as the Port Trust.

MR. BYTHELL said he accepted the suggestion that a compromise should be arrived at. He was as anxious as anyone that the Chamber should be unanimous in this matter, and should not go up to Government with divided votes. The compromise which had been agreed to was to adopt the amendment and the third clause of the original resolution, and the motion which he would now ask the Chamber to accept would read as follows :—

"That this Chamber believes that the negotiations which have been entered into by Government to acquire the Bombay foreshore properties can be so arranged as to prove conducive to the good of the trade of the port, but as this will depend on the form given to the new trust and the amount of its capital liability, the Chamber trusts that it will be consulted on the subject before anything is decided as to the constitution of the Board and the readjustment of the debt of the Trust.

"That if the sanction of the Government of India to the proposed purchase of the foreshore properties has been given subject to the local Government undertaking that the trade of the port shall accept any such readjustment of debt or any further liability to pay interest, then this Chamber respectfully claims a right to be consulted before the purchase is completed.

"That the Committee of the Chamber be instructed to send in a respectful memorial embodying the foregoing resolutions, to the local Government, with a request that a copy thereof be sent forthwith to the Government of India."

The resolution as amended was accepted by Mr. Mowat, and by Mr. Forbes and Mr. J. Y. Lang.

Mr. BYTHELL, in reply of the speeches that had been made on the subject of his resolution said he thought it was a mistake to say that it was time enough to cry out when they were hurt. He thought it was better to cry out before arrangements were made which might possibly be hurtful to them. Regarding the question of competition, the *zoolum* to which Mr. Solomon said the Sassoon Dock had been subjected, and which had been shown also in the matter of Customs interference, was doubtless very unfair indeed : but he gathered that this was not the action so much of the Port Trust,

but of the Government as consignees of cargo. He had been rather surprised to hear Mr. Solomon condemn the Prince's Dock so unsparingly and say that it was the expense in respect of that dock which they ought to ask Government to remit. Mr. Solomon had himself pointed out that they were asked to take over the private foreshore properties with a 4 per cent. revenue and he could not believe that if a small dock in Colaba paid 4 per cent. on the offer made for it by Government, the big Port Trust Dock which was large enough to accommodate all the trade of the port, would be a failure. And he did not think they would find that heavy dues would have to be levied on the shipping to make the dock pay. He believed if the dues were allowed to remain as at present, and ships were given the choice of going into that dock, either free, or on a small payment, at any rate all the ships with heavy cargoes on board would be glad to go in, and a revenue levied on a moderate scale on the cargoes would suffice to pay a very high rate of interest indeed on the cost of the dock, and that it would prove, instead of a loss, to be a profit.

Mr. SOLOMON.—That is to say, the trade would be taken into the dock instead of over the bunders as at present.

Mr. BYTHELL said there would be saved in boat hire what would be charged for wharfage accommodation at the Dock. And with regard to competition he could not see that things were altered from what they would have been if the Elphinstone property had not been sold. The Elphinstone Company was possessed of a capital of nearly two millions sterling, and they might depend upon it that either by mortgaging their property or by some other means, they would have raised money to build the dock themselves. [Mr. Solomon :—"Question."] He could not see that the competition would have been under those circumstances the least less harmful than it was at present.

Mr. HECTOR thought the cases of the Elphinstone Company and the Government, as put by Mr. Bythell, were not at all analogous. He had no doubt that before the Government undertook harbour works there was sufficient accommodation for the trade which then existed, and no doubt also there was enough trade to make the private bunders and wharves pay, but by the entrance of Government, and a lavish outlay of public money, an over-supply had been created, and matters would take a very long time to adjust themselves. Private individuals in undertaking anything, had to base their calculations on some sort of return which they expected to get from their capital expended, but Government was quite independent of any such consideration.

The revised resolution was put to the meeting, and was carried unanimously.

The Chamber then adjourned.

CHAMBER OF COMMERCE, BOMBAY, 10*th April* 1878.

To the SECRETARY to GOVERNMENT, Public Works Department, Bombay.

SIR,—I have the honour by direction of the Committee

of the Chamber of Commerce to state, for the information of His Excellency the Governor in Council, that a General Meeting of the members of the Chamber was held on the 22nd of March, to consider the question of the negotiations entered into by Government to acquire the remaining foreshore properties in the harbour of Bombay, and that, after a full and prolonged discussion, the following resolutions were unanimously passed:—

"That this Chamber believes that the negotiations which have been entered into by Government to acquire the Bombay foreshore properties can be so arranged as to prove conducive to the good of the trade of the port, but as this will depend on the form given to the new Trust, and the amount of its capital liability, the Chamber Trusts that it will be consulted on the subject before anything is decided as to the constitution of the Board and the readjustment of the debt of the Trust.

"That if the sanction of the Government of India to the proposed purchase of the foreshore properties has been given subject to the Local Government undertaking that the trade of the Port shall accept any such readjustment of debt or any further liability to pay interest, then the Chamber respectfully claims a right to be consulted before the purchase is concluded.

"That the Committee of the Chamber be instructed to send in a respectful memorial embodying the foregoing resolutions, to the Local Government, with a request that a copy thereof be sent forthwith to the Government of India."

In submitting these resolutions for the consideration of Government, I am directed, in the first place, respectfully to request His Excellency's attention to the letter addressed by the Chamber to the Government of India on the 14th of August last, in which the circumstances connected with the acquisition by the State of the Elphinstone Land Company's property, and the consequent formation of the Bombay Port Trust, are stated, and the financial position and prospects of the Trust reviewed. The purchase of the Elphinstone property, and the settlement of the capital debt of the Port Trust, were made by the Imperial Government, in concert with the Government of

Bombay, without the trade or the community of Bombay being consulted on the subject. By that arbitrary arrangement, liabilities, which did not properly belong to the trade of the Port, were forced upon it, and the Committee deem it necessary on this occasion to refer to those transactions as being intimately connected with the present question, and forming the basis of the policy of Government in regard to harbour matters.

The Elphinstone property consisted of what was known as the Dock Estate, comprising valuable wharves and basins, which afforded facilities to the trade of the Port and yielded a fair revenue, and of an immense area of ground, forming more than half of the whole property, known as the Land Estate, which yielded little or no revenue, and which, lying at a distance from the wharves and basins, gave no facilities to the trade, and did not therefore appertain to it. Yet, in the Port Trust settlement, the cost of the whole property was imposed as a burden on the trade of the Port; the Dock Estate, which yielded a fair revenue, and the Land Estate, which yielded no revenue, were lumped together, and 4 per cent. interest on the cost of the entire property demanded.

It soon, however, became evident that the revenues derived by Government from this and other properties in the harbour were insufficient to meet this interest, and, shortly after the purchase, a Bill, No. V. of 1870, was passed by the Legislative Council of His Excellency the Governor empowering the Government of Bombay to tax all the trade of the Port in order that money might be raised to pay the interest on the cost of the Elphinstone property. But in spite of these new burdens, the operations of the Port Trust resulted until the present year in deficits, which have been a source of much anxiety to the mercantile community, more particularly since the Government of India, in their Resolution No. 401-3 A. G., dated 6th June 1874, avowed their intention of calling upon the trade of Bombay at some date to pay them.

By the introduction of the Bunder Fees' Act of 1870, and by appropriating the balance of the Port dues, which used to form the free income of the Port, an additional revenue of about 3½ lakhs of rupees was at one time raised, and the new taxes would have been felt to be very oppressive but for the relief which the trade found at private bunders to which the operation of the Act did not

extend. Owing to the competition which has since been carried on between the Port Trustees and the owners of the private bunders, these taxes have fallen lightly upon exporters and importers, who are not now suffering from any excessive charges on account of them : but it is manifest that in the steps taken by Government to acquire the remainder of the foreshore, the export and import trades will lose the very great advantage which they at present possess in this competition, although the competition may be fraught with serious injury to other trading interests.

The Chamber, therefore, learned with satisfaction that Government had entered into negotiations for acquiring the remainder of the foreshore properties, for, while it is doubtless desirable to put an end to this species of competition, the acquisition of these properties could, the Chamber believes, be so arranged as to prove conducive to the trade of the Port. With judicious management, the revenue would be very large indeed, and a considerable augmentation of income would at once flow into the coffers of the Port Trust from increased charges on articles, such as Opium, &c., which could bear the increase without any injury to the trade ; and as the trade of Bombay expanded the charges would no doubt become lighter. It would also have the advantage of doing away with the present system under which certain merchants are enabled to obtain concessions and to do their business at a cheaper rate than the general run of the trade. On the other hand, the expenses of management would be very greatly reduced. It is, however, obvious that these advantages could only be secured if the various interests affected were properly represented on the Board of management. Previously to the establishment of the Port Trust, the affairs of the Port were managed by the Harbour and Pilotage Board, which consisted of five persons, the Commissioner of Customs being one, and *ex-officio* President ; two were persons with a practical knowledge of Marine matters ; one a member of the firm acting as Lloyd's Agents ; and one a representative of the merchants, appointed by the Chamber of Commerce. This Board worked satisfactorily, but its functions were limited. The Elphinstone Estate belonged in those days to a private Company ; and, while the trade of the Port was much smaller than it is now, the regulation of wharfage fees, and of landing and shipping charges, formed no part of the duties of the Harbour and Pilotage Board. In the altered

state of affairs, the mercantile community would be inadequately represented in the new Board of management if a large proportion of its members were not composed of merchants.

The necessity of an equitable adjustment of the capital account of the Port Trust has on several occasions been urged on the Government of India. In dealing with the Port Trust Budget-Estimate for 1874-75, that Government, in para. 9 of its Resolution of the 6th of June 1874, observed that the Trustees had, so as to extricate the Trust from its insolvent condition, proposed the transfer of a portion of the interest bearing debt to the non-interest bearing debt: that the Government of Bombay, on the other hand, had proposed the resumption by the State of a portion of the Elphinstone property. The Government of India, however, at that time, declined, for the reasons stated, to entertain either of these proposals, and would only consent to the payment of a portion of the interest being deferred. Thereupon, the Trustees again, in their letter, dated 15th August 1874, to the Government of Bombay, in reply to the proposals contained in paras. 9 to 13 of the Resolution of the Government of India abovementioned, asked the Government of India to review the whole position, and to make such a disposition of the property vested in the Trust as would produce an equilibrium in its finances, and with that object they submitted the following suggestions :—

The foreshore line (with as much land as might be necessary for a road and for working the traffic) where it did not belong to private individuals, and excluding the Dockyard, to be made over to the Trustees.

Where the wharfage rights had been purchased, *i.e.*, at the Elphinstone frontage, or where Government had made wharves, the Trustees to be debited with their value at 20 years' purchase of the average wharfage dues levied on those wharves during the past three years, but wharves free before the Bunders' Act of 1870 to be made over free of charge.

The space on the jetties inside the line above alluded to to be made over to the Trustees at rates calculated on 20 years' purchase of the annual income.

All the rest of the land to revert to Government except under special agreement.

The revenues accruing from leases of the foreshore

on which no money had been spent by Government, as, for instance, the area leased to the Colaba Company, to belong as at present to the Trustees.

The Chamber of Commerce, in its Memorial to the Government of India, dated 6th October 1874, supported the request of the Port Trustees, with this exception, that wharves which were free before the passing of Act V. of 1870 should be again declared free. And the financial position and prospects of the Port Trust were again laid before the Government of India in the Chamber's letter of the 14th of August last.

In all these representations to the Government of India, it was shown, and the Government of India in para. 8 of their Resolution of the 6th of June admitted the fact, that the embarrassed position of the Port Trust was due to the circumstance that the cost of an immense area of unproductive land, acquired at a high price, was charged to the trade of the Port, although the land gave no facilities to the trade, and did not therefore properly belong to it. The land will no doubt become valuable hereafter, but it was unjust to the trade to compel it to pay interest on the cost of the land—with respect to the purchase of which it was never consulted—pending its ultimate development. The offers which have recently been made to the owners of the foreshore properties are very much below the valuation at which the Elphinstone property was acquired in 1869-70, and as there has been little or no change in the value of land since that time, the Chamber respectfully submits this fact as a further illustration—if any were needed—of the necessity of a revaluation of the Elphinstone property in the capital account of the new Port Trust.

The Committee, therefore, desire me respectfully to express their hope that the Chamber will be consulted respecting the constitution of the new Board of management and the re-adjustment of the debt of the Trust, before anything is decided on these points. If, however, the sanction of the Government of India to the proposed purchase of the foreshore properties has been given subject to the Government of Bombay undertaking that the trade of the Port shall accept any such re-adjustment of debt or any further liability to pay interest, then the Chamber claims a right to be consulted before the purchase is completed. The burden will fall upon the mercantile community who, on every principle of equity, are entitled to

be consulted as to the burden which, in the new arrangements, they shall have to bear. In the correspondence which passed between the Government of India and the Government of Bombay previous to the formation of the Bombay Port Trust (*vide* Annual Report of the Bombay Chamber of Commerce, for the year 1871-72, pages 36 to 101, and more particularly paras. 5, 6, 7, 8 and 10 of the letter of the Government of India No. 36 B—C, dated 26th January 1872, page 94), the Government of India, moreover, desired that this right should be exercised before any further liability to pay interest was incurred by the Government of Bombay on behalf of the trade of this Port, preferring, as they said, that all expenditure on harbour works should be stopped if such works were not subjected to the test of local discussion.

In conclusion, I am directed to enclose for the information of His Excellency the Governor in Council printed copies of the proceedings of the General Meeting of the Chamber held on the 22nd of March last, and to request that His Excellency will do the Chamber the favour to forward at an early date copies of this letter, and of its accompaniments, to the Government of India, for their consideration.—I have, &c.,

J GORDON, Secretary.
W. LANG, Chairman.

No. 91 OF 1878.

MARINE DEPARTMENT,
BOMBAY, *24th April* 1878.

To the SECRETARY to the CHAMBER of COMMERCE.

SIR,—I am directed to acknowledge the receipt of your letter, dated 10th instant, forwarding copies of Resolutions passed at a General Meeting of the members of the Chamber held on 22nd ultimo, to consider the question of the negotiations entered into by Government to acquire the remaining foreshore properties in the harbour of Bombay.

2. In reply, I am directed to inform you, that as soon as the purchase in question is completed, the Government of India will be consulted on the points raised in your letter under acknowledgment, and that the views of the Chamber will doubtless be taken before the matter is finally arranged.
—I have, &c.,

J. A. M. MACDONALD, Colonel,
Secretary to Government.

APPENDIX N.

PROPOSAL TO FORM A TRUST IN BOMBAY SIMILAR TO THAT REGULATING THE MERSEY DOCKS.

No. 165 of 1878.

MARINE DEPARTMENT,
BOMBAY CASTLE, *7th August* 1878.

From the SECRETARY to GOVERNMENT, to the SECRETARY to the CHAMBER of COMMERCE, Bombay.

SIR,—I am directed to forward, for the information of the Chamber of Commerce, the following proposal to form a Trust in Bombay something similar to that regulating the Mersey Docks, and I am to request that the Chamber will be so good as to favour Government with their opinion thereon by as early a date as may be convenient.

The whole of the foreshore properties including the Elphinstone Estate and Docks would be separately valued by competent and independent persons, and would be merged by consent of the owners, or if necessary, by compulsory purchase, in the usual manner into a single trust. Bonds representing the value of the respective properties would be offered to each owner. The management of the whole would be placed in the hands of a single board of Trustees, of whom (say) one-third might be elected by the Bondholders, the Government exercising a voting power proportionate to the valuation of its share of the property, one-third by the merchants of Bombay who paid wharfage and dock fees to a certain amount, and the remaining third would be nominated by the Government of Bombay, as representing the general public, and the whole Board would be presided over by a Chairman to be a paid and permanent officer, specially selected and appointed by Government, with reference to the duties that would arise in the management of so important a trust. From the net income of the trust a percentage of interest would be half-yearly declared on the bonds by the Board.—I have, &c.,

J. A. M. MACDONALD, Colonel,
Secretary to Government.

CHAMBER OF COMMERCE, BOMBAY, 20*th August* 1878.

The SECRETARY to GOVERNMENT, Marine Department.

SIR,—I am directed by the Committee of the Chamber of Commerce to acknowledge the receipt of your letter No. 165, of the 7th instant, on the subject of a proposal to form a Trust in Bombay, something similar to that regulating the Mersey Docks.

The outline of the scheme which Government have been so good as to submit to the Chamber leaves much to be conjectured, and information on several important points would be necessary before the Chamber could give a decided opinion upon it. It is not for instance stated whether Government intend guaranteeing any rate of dividend to the Bondholders, and on this point the Chamber need only observe that, if there is no such intention, it is improbable that any of the private foreshore owners will agree to join in the proposed Trust. Neither is it apparent whether it is intended that the Land Estates of the several interests, including particularly the Land Estates of the present Bombay Port Trust and of the Frere Land and Reclamation Company, should be merged in the Trust, or whether it is intended that only Docks and Bunders, with sufficient land for the accommodation of the traffic, should be so merged.

If it is intended to bring into the new Trust, at a valuation, all the land belonging to the Port Trust and to most of the foreshore properties, there would be reason for grave apprehension of possible unknown burdens for the trade. On every occasion on which the Chamber has had the honour of addressing Government on the subject of the financial condition of the Port Trust, the Chamber has shown that the then embarrassed position of the Port Trust was owing to the circumstance that the cost of an immense area of unproductive land, acquired at a high price, was debited to the interest—bearing portion of the Capital Account of the Port Trust, and would, it was stated, eventually be charged to the trade of the Port, although the land gave no facilities to the trade, and did not therefore properly belong to it. The trade of Bombay is well able to pay for its proper requirements, but it is unjust to force upon it liabilities and charges for property which do not belong to it, however valuable that property may ultimately become. The Chamber would therefore protest against any of the Land Estates belonging to the Port Trust, or the private Com-

panies, which could not possibly be required for the working of the bunder traffic, being included in the proposed scheme.

The Chamber, however, understands that it is the intention of Government to separate that portion of the Elphinstone property which includes all the wharves, bunders, and docks, and which is generally known as the Dock Estate, from that portion which is known as the Land Estate, and to bring, at a valuation, the Dock Estate only, into the new Trust,—to be administered along with the amalgamated private wharves, bunders, and docks, by the proposed Board of Trustees. The Chamber will be gratified to learn that this is the case, for the trade will then be freed from all liability to pay interest on the capital of the Elphinstone Land Estate, which would be resumed by Government.

The points in this scheme which are deserving of most careful consideration, are, it seems to the Chamber, (1) a fair valuation of the properties to be taken over and (2) an adequate representation of the mercantile community on the Board of Trustees.

Government propose that the foreshore properties, including the Elphinstone Estate and Docks, should be separately valued by competent and independent persons. This course might, however, subject the trade of the Port to the risk of unknown, and excessive, valuations, thereby imposing heavy burdens upon the trade hereafter.

The Chamber also considers the constitution of the Board of Trustees, as proposed in the letter under acknowledgment, to be objectionable. According to that proposal, one-third of the Board might be elected by the Bondholders, the Government exercising a voting power proportionate to the valuation of its share of the property, one-third by the merchants of Bombay who paid wharfage and dock fees to a certain amount, and the remaining third would be nominated by the Government of Bombay as representing the general public, the whole Board to be presided over by a Chairman to be a paid and permanent officer specially selected and appointed by Government. Considering that the value of the Government property will be very much greater than that of all the private amalgamated properties, Government would, by the proposed plan, have a preponderating voice in the management of the Trust. If it be assumed that Government intend guaranteeing a certain rate of dividend to the Bondholders—and on no other supposition is the proposal of

Government practicable—then the Chamber respectfully submits that it is unnecessary and undesirable that the Bondholders should be represented on the Board of Trustees. The Bonds, being negotiable in the market, will doubtless for the most part soon pass into the hands of persons, who have no interest in the new Trust besides the regular payment of the guaranteed interest. The only interests which are entitled to be represented on the Board, are, it seems to the Chamber, the Government which guarantees the interest, and the mercantile community which contributes the revenue out of which the interest is paid. The Chamber therefore recommends that the representation on the Board should be confined to these two interests only ; that at least one-half of the Board should consist of mercantile members ; and that the mercantile members should be elected by the Chamber.

The constitution of the Mersey Docks and Harbour Board gives to the mercantile community of Liverpool, a much more liberal representation than what the Chamber here proposes. By the 24th Section of "The Mersey Dock Acts Consolidation Act, 1858," 21 and 22 Vict. Cap. 92, the Board are to consist of 28 members, of whom 24 are elected by the Dock Rate-payers, whose qualification is a payment of Dock rates to an amount of not less than £10 in the year preceding the election. The other four members are appointed by the Conservancy Commissioners of the River Mersey.

It seems to the Chamber that the objections entertained by it to the uncertain and precarious valuations proposed, and to the constitution of the Board of management, would in a great measure be obviated if Government reverted to its original intention of acquiring by purchase the absolute ownership of the private foreshore properties. The trade would then to a considerable extent know what burdens it would have to meet, and the question of valuation—if a valuation were necessary—would be confined to the Government property which, however, it is presumed, would be made over to the new Trust at a valuation probably much under, but in no case exceeding, its actual cost, after deducting the proportion of the Land Estate in the Elphinstone purchase. It is reported that the various private foreshore owners have intimated to Government, their willingness to sell to Government, their respective pro-

perties, or the portions of their respective properties which Government desired to purchase, on the following terms:—

	Lakhs.
The Sassoon Dock	20
The New Colaba Company's property, Government remitting certain annual ground rent	18
The Apollo Press Company's property	4¼
The New Mazagon Company's property, Government remitting the annual rental	22
The foreshore portion of the Frere Land and Reclamation Company's property, including wharves, canals, &c., and portion of land	10

These valuations are not generally considered as excessive, and, even if they were slightly so, it would appear preferable to accept the offers, if, as is reported, they have been made, and thus put an end to the uncertainty which has long existed.

An advantage which would result from the purchase of these properties would be that the Bondholders could have no claim to be represented on the Board of Trustees.

If, however, Government determines that the scheme now contemplated of merging all the foreshore properties into a single Trust be carried out, the Chamber would in this case also respectfully suggest that the above-mentioned valuations of the private foreshore owners for their respective properties, or the portions of their respective properties which Government proposed to purchase, should be accepted; that interest thereon at 4½ per cent. per annum, being the rate at which the imperial Government has recently been, and is still borrowing, be guaranteed to the Bondholders by the Secretary of State for India in Council; and that all the net earnings above the amount required for the payment of the guaranteed interest be applied to the reduction of rates.

In conclusion, I am desired to express the Chamber's hope that, as the shipping season is now approaching, a speedy settlement of this important question will be effected, the more so as, if the reports above referred to are true, it is in the power of Government to do so on terms which, it appears to the Chamber, would not be prejudicial to the trade of the Port.—I have, &c.,

J. GORDON, Secretary.
W. LANG, Chairman.

APPENDIX O.

ABOLITION OF THE LAND POSTAL LINE TO KURRACHEE.

CHAMBER OF COMMERCE, BOMBAY, *20th July* 1878.

The POST MASTER GENERAL, Bombay Presidency.

SIR,—The Committee of the Chamber observe from the Postal Notice issued by the Presidency Post Master, under date the 1st of July 1878, that the Inland Mails to Kurrachee and Sind have been discontinued.

The Committee desire me respectfully to ask the favour of your informing the Chamber of the reasons which have induced Government to discontinue these mails—I have, &c.,

J. GORDON, Secretary.

No. 12042 OF 1878.

POST MASTER GENERAL'S CAMP, *24th July* 1878.

From J. K. SPENCE, Esq., Officiating Post Master General, Bombay, to the SECRETARY to the CHAMBER of COMMERCE, Bombay.

SIR,—With reference to your letter of 20th July, asking me to give you the reasons for the abolition of the land line to Sind, I have the honour to inform you, that it is impossible for me to give the reasons in great detail, as the correspondence on the subject is very voluminous.

2nd.—The principal reasons are the following:—It was found that by despatching a bi-weekly mail steamer to Kurrachee the mails for Sind generally would be delivered on 5 days out of the 7 as early as they now are by the land line and on most of the days earlier. On only one day in the week would the mails be delivered later to any appreciable extent. In the Monsoon the land line was very precarious, the mail being detained for days when the Runn of Cutch was flooded. The expense of the land line was enormous in comparison with the amount of mail it carried,

and for financial reasons the saving effected by its abolition was most desirable.

3rd.—I append a table showing the dates on which a daily newspaper from Bombay was delivered in Kurrachee by the land line, and the dates on which it will be delivered by the bi-weekly steamers. Assuming that the trains will run in connection with the arrival and departure of the mail steamers, the whole of Sind will be benefited.

4th.—If you require any further information on any special point, I will do my best to furnish it.—I have, &c.,

J. K. SPENCE, Officiating Post Master General.

LAND LINE.

Day and date of posting in Bombay.		Day and hour of leaving Bombay.		Day and hour of reaching Hyderabad.		Day and hour of reaching Karachi.		Day and hour of reaching Jacobabad	
Monday	1	1	9 p. m.	5	12 noon	*6	1 p. m.	†7	12 midnight
Tuesday	2	2	9 p. m.	6	12 noon	*7	1 p. m.	†8	12 midnight
Wednesday	3	3	9 p. m.	7	12 noon	*8	1 p. m.	†9	12 midnight
Thursday	4	4	9 p. m.	8	12 noon	*9	1 p. m.	†10	12 midnight
Friday	5	5	9 p. m.	9	12 noon	*10	1 p. m.	†11	12 midnight
Saturday	6	6	9 p. m.	10	12 noon	*11	1 p. m.	†12	12 midnight
Sunday	7	7	9 p. m.	11	12 noon	*12	1 p. m.	†13	12 midnight

* The mail is intended to reach Hyderabad, if possible, just to catch the train. If it succeeds in catching it the mails reach a day *earlier* than this. I have no statistics as to the number of times it catches it, but I have had complaints that it is very irregular.

† And the mails are delivered next morning.

SEA LINE.

Day and date of posting in Bombay.		Day and hour of leaving Bombay.		Day and hour of arrival at Hyderabad.		Day and hour of arrival at Karachi.		Day and hour of arrival at Jacobabad.	
Monday	1	1	10 a.m.	4	5·30 p.m.	4	11 a.m.	5	2·30 a.m.
Tuesday	2	4	5 p.m.	7	5·30 p.m.	7	7 a.m.	9	2·30 a.m.
Wednesday	3	4	5 p.m.	7	5·30 p.m.	7	7 a.m.	9	2·30 a.m.
Thursday	4	4	5 p.m.	7	5·30 p.m.	7	7 a.m.	9	2·30 a.m.
Friday	5	8	10 a.m.	11	5·30 p.m.	11	11 a.m.	13	2·30 a.m.
Saturday	6	8	10 a.m.	11	5·30 p.m.	11	11 a.m	13	2·30 a.m.
Sunday	7	8	10 a.m.	11	5·30 p.m.	11	11 a.m.	13	2·30 a.m.

GANPATRAO,
For Offg. Post Master General.

APPENDIX P.

THE STAMP BILL.

No. 103 of 1878.

CHAMBER OF COMMERCE, BOMBAY, 28*th March* 1878.

The SECRETARY to GOVERNMENT, Judicial Department, Bombay.

SIR,—The Committee of the Chamber of Commerce desire me to bring to the notice of His Excellency the Governor in Council, that the Chamber has not been consulted respecting the provisions of the Stamp Bill No. 16 of 1877, which is now before the Legislative Council of the Governor General, and which they understand, will shortly be passed. The Government of India having specially requested the Chamber's opinion on the "Negotiable Instruments Bill," a kindred measure, it is a matter of regret to the Committee that the Chamber has not had an opportunity of expressing an opinion on this bill.

As, however, the measure is one which seriously affects the Mercantile Community, the Chamber proposes appointing a Special Committee to consider its provisions, and I am directed respectfully to request that His Excellency will be so good as to favour the Chamber with six copies of the Bill for that purpose.—I have, &c.,

J. GORDON, Secretary.

No. 2061 of 1878.

JUDICIAL DEPARTMENT,
BOMBAY CASTLE, 30*th March* 1878.

To the SECRETARY to the CHAMBER of COMMERCE, Bombay.

SIR,—I am directed to acknowledge the receipt of your letter, dated the 28th instant, and to forward herewith six copies of the Stamp Bill (No. 16 of 1877).—I have, &c.,

J. MONTEATH,
Actg. Under Secy. to Govt.

CHAMBER OF COMMERCE, BOMBAY, 11*th May* 1878.

To the SECRETARY to GOVERNMENT, Judicial Department.

SIR,— I am directed to acknowledge the receipt of your letter No. 2061, dated the 30th of March last, forwarding six copies of the Stamp Bill, No. 16 of 1877, now before

the Legislative Council of His Excellency the Governor-General.

The Chamber, having referred the Bill to the consideration of a Special Committee—consisting of the Honourable Walter Lang, of the firm of Messrs. Finlay, Scott & Co., Chairman of the Chamber; Mackintosh Balfour, Esq., Secretary and Treasurer of the Bank of Bombay; W. S. D. Blackhall, Esq., Manager of the Agra Bank; H. W. Jones, Esq., Agent of the Chartered Mercantile Bank of India, London, and China; and M. Mowat, Esq., of the firm of Messrs. Ritchie, Steuart & Co., Deputy Chairman of the Chamber,—has now the honour to submit its opinion on the provisions of the Bill, and on the effect of the Bill generally.

CHAP. I., Section 3, para. 38.—As it has been notified that the Government of India has determined not to press the proposed change in the law reducing the limit for which stamps are required from Rs. 20 to Rs. 10, the word "ten" in the fifth, seventh, and tenth lines of this Section requires to be altered to "twenty."

CHAP. III., Section 8, para. 1.—An alteration of the date in the last line of this paragraph is necessary.

Section 9, para. 2.—The Chamber recommends that this provision which requires instruments executed out of British India and relating to, or empowering any person to deal with, property within British India, to be stamped within one month after their arrival in British India, should be omitted, as likely to produce hardship and embarrassment. Powers of Attorney may come out to British India to be used in the event of contingencies which may never happen, and it may be desired that the fact should never be known. This freedom of action is of great convenience and is necessary in large mercantile communities, while the proposed restriction upon it will yield little or no appreciable amount of revenue.

Section 11.—Under the existing Stamp Laws both in India and in England, the duty chargeable for the transfer of stock, shares, or marketable securities, except special exemptions under Acts of Parliament, is calculated on the amount or value of the consideration, but this Section proposes that the duty shall be calculated on the value of such stock or security according to the average price thereof on the day of the date of the instrument. The Chamber has no hesitation in stating that this proposed innovation will be a great obstruction to business, and, in cases of

stocks or shares which are largely dealt in, and the prices of which are subject to much fluctuation, it will be practically unworkable. As not unfrequently happens, property may be sold and the money paid in the fore part of the day, and, before the close of business on the same day, a rise in prices may occur ; but under this new law, which would be intolerable in England, it would be impossible to calculate the average price and to stamp the transfer deed until business had closed, and no matter what the circumstances or necessities of the transferror might be, he would be prevented from dealing with his property, and receiving the consideration for it, until perhaps it was too late for his requirements. If the idea is taken from the system of fixing average valuations for assessment of Customs duties, that system, it may be remarked, is only resorted to for the general convenience of trade, and the valuations are fixed beforehand by the Legislature. It is never adopted when the actual value of the articles can, without inconvenience, be ascertained. It has always been regarded as a departure from principle, which, in the case of stocks and shares, would not only be productive of great inconvenience, but would be certain to result in constant evasion or prevarication. The Chamber considers that duty can only be fairly charged on the amount or value of the consideration, and it hopes that this plan, which has always worked well, will be allowed to continue. If, however, the Legislature decides, notwithstanding, to charge the stamp-duty on the average price on the day of the date of the instrument, then it suggests that the duty of fixing the average prices daily be assigned to the Collector, and the prices so fixed hung up in a conspicuous place in the Share Market or in the Collector's office, as the only means by which innocent persons may avoid the penalties attaching to documents insufficiently stamped.

Section 16.—To prevent any misconception in a matter of so much importance, a provision should be inserted to the following effect that stamps of any amount may be affixed to a Bill of Exchange provided the proper amount of duty is on the Bill.

Section 21.—As the Mauritius currency was changed to rupees and cents. from 1st January 1877, the last item in the scale might be omitted.

Section 40.—In accordance with the Government Notification referred to under Section 3, the word "ten," in this Section, should be altered to "twenty."

CHAP. V. Section 43.—Clause (*b*) of the second paragraph of this section, which prohibits the Collector from certifying that the full duty has been paid on an instrument executed out of British India and brought to him after the expiration of two months after its arrival in British India, is extremely arbitrary, and calculated to be very harsh in its operation. An instrument may, for instance, be brought to the Collector within two months and one or two days after its arrival in British India, and may involve a very large sum of money. The provision, moreover, will in many cases be inoperative, as it will be impossible for the Collector to know if the instrument was brought to him within two months after its arrival in British India. The Chamber recommends that the clause be omitted.

CHAP. X., Section 77, Clause (1.)—The Chamber recommends that the words "before any instrument written thereon is executed by any party," in the fourth and fifth lines of this clause, should be omitted, as operating with great hardship in the case of a transfer of stock or shares, which is generally signed by the transferror before the form is entirely filled up, and which may, through accident or error, be rendered unfit for use before the transfer is finally signed and executed.

Paras. (*b*) and (*h*) of clause 5 of this section, moreover, require explanation, as they appear to be inconsistent with para. (1) containing the words "before any instrument written thereon is executed by any party."

Section 80.—The Chamber recommends that the words "if he in his discretion think fit," in the sixth line of this Section, be omitted, as it ought not to be in the discretion of the Collector to withhold repayment, if it is shewn that the stamp was purchased by the applicant with a *bona fide* intention of using it. It begs also to recommend that the last 17 words of this section, namely, "and that the stamp was so purchased within the period of six months next preceding the application," be omitted, as the limitation of time must be a great hardship to bankers and others who are in the habit of laying in large supplies of stamps.

CHAP. XII., Section 98.—The Chamber recommends that after the words "single stamp" in the fifth line of this section, the word "or" be inserted, and that the words "except when such amount exceeds one thousand rupees, in which case it may be defrayed," in the fifth, sixth, and seventh lines, be omitted, and that the whole of para. 2 of

this Section be omitted. There can be no object gained in requiring that there shall be one impressed stamp. Moreover, it frequently happens that one stamp for the full amount of duty is not always procurable, and the certificate which the Collector is authorised to make may be lost, or it may give rise to suspicion.

Additions suggested by the Chamber.

The Chamber recommends that Clauses to the following effect be added to the Bill :—

(1) That persons having a stock of stamps in hand when the new Act comes into force should be allowed to use their old stock until exhausted, always providing that the conditions of the new Act as to duty be complied with.

(2) That the Collector should be authorized to impress stamps on cheques when required.

The present system of affixing stamps on cheques is very objectionable ; it makes the cheque-books cumbersome and bulky, and the stamps are apt to stick and be destroyed.

While on this subject, the Chamber respectfully submits for the consideration of Government that it would save an immensity of trouble to the Collector and to Banks if, instead of stamping cheques, the Banks were to make returns every half year of the number of cheques issued, and to pay the amount to the Collector. In Ceylon, this plan is adopted, and has, the Chamber understands, worked very successfully.

Schedule I.

Class I., No. 1.—*Bill of Exchange payable at sight.*—The Chamber craves reference to their remarks on this point under Section 23 of their report of the 24th December last on "The Negotiable Instruments Bill, 1877." The framers of that Bill interpret the expression "at sight" to be the same as the expression "on demand," and these expressions bear the same meaning in England. Under "The Bills of Exchange Act, 1871," 34 and 35 Vict., chap. 74, it was enacted that a Bill of Exchange or Promissory Note payable at sight or on presentation should bear the same stamp, and should for all purposes whatsoever be deemed to be a Bill of Exchange or Promissory Note payable on demand in which no days of grace are allowed. The Chamber is of opinion that it would be an advantage if the meaning of the expressions "on demand" and "at sight" were, as in England,

made identical by law, and if the same fixed stamp duty were chargeable in either case, and it therefore recommends that the words " at sight or " in the second line of No. 1 of this class be omitted, and that the words " or at sight " be inserted after the word " demand" in the second line of No. 2, Class II., Schedule II.

The rates of duty which it is proposed to levy on Bills of Exchange payable after sight are so heavy that they will cause very serious injury to trade. They are exactly double the rates of duty charged on Bills of Exchange in England. Under para. 12 of the Statement of Objects and Reasons appended to the Bill, the reason given for the increased duty is that the rates of stamp-duty on Bills of Exchange and Promissory Notes other than those payable on demand are relatively to the duties chargeable on Bonds and Conveyances under the Indian Stamp Law, lower than the English rates. The Chamber begs respectfully to submit that the reason so assigned is untenable. The transactions of commerce in which Bills of Exchange are used bear no kind of relation to those transactions in real or other property requiring Conveyances or Bonds. The fact of the stamp-duty chargeable on Conveyances or Bonds in India being higher than the duty chargeable in England, might be a reason for reducing the Indian to the English rates on such instruments, but it affords no reason whatever for such a theory as that, because the stamp-duty on a certain class of instruments is higher in India than in England, the duty on a totally different class of instruments should be relatively increased.

The system of drawing Bills of Exchange under what are termed covered credits serves to illustrate how heavily the increased duty will fall upon trade. A great deal of the business in Bombay, and in other Ports in India, is done under this system, under which one set of Bills of Exchange drawn on bankers or others is sold in the open market under letters of credit, while another set of Bills of Exchange against the same transaction, drawn on the English correspondents of the drawers, is lodged with the banker on acceptance of the first set. Under this system, there are thus, in each transaction, two sets of Bills, and of course a double stamp-duty both in India and in England, which, under this new Bill, would amount to three-tenths per cent.

The Chamber believes that the increased duty on Bills of

Exchange will be felt to be so injurious to commerce and so great a hardship to individual merchants, that it will have the effect of causing traders to conduct their business more and more under a system of "demand" drafts,—a system which has in recent years been on the increase, and which will defeat the object of the Government by diminishing instead of increasing the imperial revenue.

CLASS I., No. 3.—The duty chargeable on an instrument evidencing an agreement to secure the repayment of a loan upon the deposit of title-deeds or other valuable securities, is, under the existing law, Schedule II., No. 21 of the General Stamp Act, 1869, Rs. 2, and it is now proposed to raise the duty from Rs. 2 to one-half of the stamp-duty payable on a Bill of Exchange for the amount secured. The Chamber believes that this provision will be simply inoperative, as no person will give such an instrument. It is very desirable that there should be written evidence of an agreement under such circumstances, but the proposed duty is so heavy that it will be impossible to levy it.

CLASS I., No 4.—The Chamber considers that this proposal to include Policies of Insurance on life in the general class of instruments of insurance liable to stamp-duty, and to double the existing rates of charge on these instruments generally, is a retrograde and injurious provision. Insurance, particularly on life and against fire, is a practice universally adopted in England, where the rates of premium are very low. But in India, or at least in this Presidency, life insurance is mainly confined to Europeans, and, in many cases, the ordinary high rates of premium chargeable in India put it out of the power of Europeans to insure their lives. The practice of insuring property against fire is almost entirely confined to the Presidency towns, and except in the cases of Native Joint Stock Companies, where the Directors might be held individually responsible for neglecting the precaution, it is also practically resorted to by Europeans only. The rates of premium on fire insurance in India are also much higher than the rates charged in England, and the Natives seldom care to incur the expense. The proposal, then, to increase the stamp-duty will have the effect of still further discouraging life and fire insurance in India. The Fire offices in Bombay, moreover, are heavily taxed by the Bombay Municipality, each office having, under the Bombay Municipal Act No. III. of 1872, to contribute, in the discretion of the Town Council, a sum of not

less than Rs. 500 and not exceeding Rs. 1,000 a year, by way of contribution towards the protection of the city from fire.

In para. 16 of the Statement of Objects and Reasons appended to the Bill, it is stated that the proposed change is in fact nothing more than a reversion to the rates chargeable on instruments of insurance generally previously to the passing of the Stamp Act, 1869. The impolitic effect of this step on life and fire insurance in this country has already been pointed out, and with regard to marine insurance, it should be remembered that, previously to 1869, marine policies were for the most part on ships sailing between India and Europe, *via* the Cape, whereas, since the opening of the Suez Canal, insurances at sea are principally on Canal steamers, whose voyages are much more frequent, and the number of marine policies has therefore largely increased.

The Chamber desires also to observe that owing to the limited extent to which the system of insurance is adopted in India, Indian offices find it very difficult to compete with English offices.

It has always been regarded as an important duty of Government to promote habits of prudence among its subjects, and, looking to the circumstances of India, and the obstacles already interposed to the progress of insurance, particularly on life and against fire, the Chamber hopes that Government will not further discourage the system by increasing the charges of insurance which in India are necessarily high.

CLASS II., No. 17.—The Chamber believes that the duty here proposed on appraisements and valuations is so high that it will be inoperative.

CLASS II., No. 18.—The Chamber also believes that the proposed duty on awards is excessive, and will be evaded.

CLASS III., No. 20.—The Chamber desires to draw attention to the fact that the duty proposed to be levied on Instruments of Gift or Exchange of any property is, when the amount exceeds Rs. 1,000, no less than 1 per cent.

SCHEDULE II.

CLASS I., No. 2.—The word "ten" in this number should, in accordance with the Government Notification referred to under Section 3, be altered to "twenty."

CLASS III., No. 17, and CLASS IV., No. 22.—The expression "a single transaction" requires definition. It is gene-

rally supposed to be applicable to the transfer of an estate, but the Solicitor to Government has held that the sale of each piece of Government Paper, the whole of which made up the estate, would be a single transaction. Under this ruling, the transfer of ten shares in one certificate would be a single transaction, but if the shares were in certificates of one share each, there would be ten single transactions. It is of great importance that all doubts should be removed as to the meaning of the expression.

The Chamber having adverted to those sections of the Bill, add to those items in the Schedules, which more particularly require alteration or amendment, ventures now to record its deliberate opinion on the Bill generally that the scale of charges proposed to be introduced by it is excessive. It must be borne in mind that the system of raising revenue by stamps in this country is of recent introduction. There is no doubt that the obligation of stamping documents is largely evaded, and if the present scale offers sufficient temptations, that laid down in the Bill under consideration will not, in the opinion of the Chamber, tend to reduce the extent to which the revenue is defrauded, despite all the pains and penalties imposed by it. Banking facilities to Natives of this country are afforded principally by shroffs, who, in this Presidency at least, work under what may be termed a trade union. With trade centres near Bombay, situated in foreign territories, where, of course, the Stamp Act does not run, hoondies for large sums are daily drawn on and subsequently paid in this City without ever being stamped. Loans for large amounts are arranged and unstamped deposit receipts given by the borrower. The country in fact is not yet accustomed to the working of a Stamp Law. From the trade centres in foreign territories, moonims come to Bombay who have never used stamps, and who think it no crime to continue here the system on which their business has been conducted elsewhere. It is even stated that demand bills in Calcutta have been given in lieu of bills at 30 or 60 days' sight with the understanding that the demand bills would not be presented for payment till the apparent due date of the term bills for which they were substituted to save stamps. Few contracts made here bear any stamp, and blank transfer deeds regularly circulate in the bazaar. The Chamber records facts known to many for the purpose of showing that the existing Stamp Laws have never been properly worked. To largely increase

duties which have been systematically evaded hitherto is, in its opinion, a political as well as a financial mistake. The increase too is excessive. Trade has not lately been of a character to bear increased burdens, and yet it is proposed to increase the stamp-duty upon Bills of Exchange from Rs. 6 to Rs. 10 per *mille*, or, in other words, to make it twice as heavy as it is in Great Britain, a country which has enjoyed the benefits of civilization for many years, whose trade has grown and has been long conducted under the operation of Stamp Laws, and whose people have been brought up in the knowledge of, and respect for, the ordinances of the realm. The Chamber has specially adverted to those stamps which bear upon commercial and banking interests, and of which it has daily cognizance, but in many other cases the scale seems arbitrarily and unnecessarily high. It would notice Clause 17 of the Statement of Objects and Reasons which explains why a change is to be made in the system of stamping, say, loans secured by the deposit of Government Securities. In practice, the Chamber believes the clause will be inoperative, and, could the duty be invariably levied, the effect would be to depreciate the value of Government Securities.

In conclusion, the Chamber desires me respectfully to express its hope that, as the provisions of the Bill in its present form would be very injurious to mercantile interests, His Excellency the Governor in Council will favour the Chamber by forwarding copies of this letter, at his earliest convenience, to the Government of India, for its consideration.—I have, &c.,

J. GORDON, Secretary.
W. LANG, Chairman.

APPENDIX Q.

EXTENSION OF THE "VALUE-PAYABLE" SYSTEM TO OVERLAND PARCELS BOOKED IN LONDON.

No. 387.

CALCUTTA, *9th April* 1878.

From A. M. MONTEATH, Esq., Director General of the Post Office of India, to the SECRETARY, BOMBAY CHAMBER OF COMMERCE.

SIR,—In forwarding to you the accompanying Memorandum and its enclosures, relative to the objection taken by the Calcutta Trades Association to the extension of the "value-payable" system to overland parcels, I have the honour to invite an expression of the opinion of the Bombay Chamber on the point mentioned by the Government of India, *viz.*, whether "the extension of the 'value-payable' system to overland parcels would, or would not, be a boon to the public, especially to European residents in the interior of the Country."—I have, &c.,

A. M. MONTEATH,
Director General of the Post Office of India.

Memorandum by A. M. MONTEATH, Esq., *Director General of the Post Office of India,—No.* 388, *dated 9th April* 1878.

Annexed are copies of the papers noted on the margin relative to the objection taken by the Calcutta Trades Association to the extension of the system of "value-payable" parcels, so as to include parcels transmitted from England to India.

From Secretary, Calcutta Trades Association, dated 8th December 1877.

To Secretary, Calcutta Trades Association, No. 8597, dated 12th February 1878.

To Secretary to the Government of India, Financial Department, No. 8598, dated 12th February 1878.

From Secretary to the Government of India, Financial Department, to the Secretary, Calcutta Trades Association, No. 1961, dated 21st March 1878.

2. It will be observed from the paper last quoted, that the Government of India desires to learn from other representative bodies "whether in their opinion the extension of the 'value-payable' system to overland parcels would, or would not, be a boon to the public, especially to European residents in the interior of the country." In pursuance of this desire, it is now proposed to consult the several Chambers of Commerce, the Trades Association of Madras and Bombay, the Agents of the principal Railways (on behalf of the large numbers of Europeans employed under them), the Planters' Association, Assam, and the Coffee Planters' Association.

3. The "value-payable" system provides for the transmission by the Post Office of a parcel (paid or unpaid) with the condition

of realizing from the addressee on delivery the value of its contents as declared by the sender, and the payment to him (the sender) of the amount so realized, less a commission of about 2 per cent.: thus facilitating intercourse between customers and tradesmen by saving the addressee (or customer) from the trouble of a separate remittance and the sender (or tradesman) from the risk and trouble of collecting his money.

4. No question has been raised as to the probable convenience of the system as applied to the inland parcel post of India; and the point raised by the Calcutta Trades Association has reference solely to the extension of the system to parcels coming from England to India.

From E. HICKIE, Esq., Secretary, Calcutta Trades Association, to the DIRECTOR GENERAL of the Post Office of India,—dated 8th December 1877.

In your notification of the 1st November 1877, relative to the introduction into the Indian Post Office of a system of "value-payable" parcels, it is stated that the system "will shortly be extended to 'overland parcels' booked in London for delivery in India."

2. The Committee of the Calcutta Trades Association desire to protest most strongly against the extension of the system to England, as calculated seriously to injure all who are engaged in Trade in India. That this must be the result is obvious; and yet this consideration appears to have been overlooked in the preparation of this scheme.

3. The Committe desire also to express their surprise that no reference should have been made to them in this matter, seeing it is so intimately connected with the interests they represent. They submit that, if it was thought advisable to obtain their opinion when the scheme was first mooted in connection with India, in 1870, there was clearly a greater necessity for doing so at the present time.

4. It cannot be denied that the Post Office is working within its legitimate limits in endeavouring to facilitate the delivery and payment of small packages of merchandise sent from one part to another of the *same* country; but when it proposes to establish an agency for similar purposes between two countries opposed in so many respects as England and India, and which have not even a common currency, the Committee submit that the Department is entering on a service which does not lie within its province.

5. The Committee do not lose sight of the fact that one of the chief objects of so important a public department as the Post Office is, to consult the convenience of the public generally, and not of any particular section thereof. They cannot, however, admit that this principle has been observed in the present case, as the *English tradesman* and not the *public* will chiefly benefit by the proposed scheme. The public have not desired it, and they seem to be fully satisfied with the facilities presented by the Overland Parcel Post and Money Order systems for getting out and paying for goods to small amounts. So far as the Trades are concerned,

they would willingly see the entire scheme abandoned, rather than it should be adopted in its present objectionable form.

6. It must not be forgotten that the Indian tradesman is heavily taxed, and that the losses and expenses incident to business in India are exceptionally heavy; and it seems therefore contrary to sound policy and common justice that the Post Office should increase these disadvantages by offering facilities to tradesmen in England to which they have no reasonable claim. No taxes are paid by them to the Indian Government, nor have they capital invested in a large stock, such as the Indian tradesman is forced, in the nature of things, to maintain. They will further incur no risks, as the scheme under notice will, in its operation, secure them their money or the return of their goods. In, therefore, undertaking to realize and remit the price of goods sent out by them to India, the Post Office will assist a most unfair competition with the local trader, and will also place the importation of a large class of goods into this country by resident traders at a serious disadvantage.

7. The Committee trust therefore that, for the reasons herein adduced, the system of "value-payable" parcels will not be extended to England.

From A. M. MONTEATH, Esq., Director General of the Post Office of India, to the SECRETARY, Calcutta Trades Association,—No. 8597, dated 12th February 1878.

Your letter of the 8th December, protesting against the extension of the system of "value-payable" parcels to overland parcels booked in London for India, has been considered by me since my return from tour.

2. The proposal to apply the "value-payable" system to the parcel post (inland and overland) was made in the interests of the public as a whole, the object being to promote the general convenience. It was not anticipated that any particular interest would be injured; and I am still of opinion that no injury is likely to result from the system to those engaged in trade in the presidency towns.

3. But as the Calcutta Trades Association have such a strong objection to the proposed measure on the ground of anticipated injury to the interests of those engaged in trade, I shall lay the correspondence before the Government of India.

From A. M. MONTEATH, Esq., Director General of the Post Office of India, to the SECRETARY to the Government of India, Financial Department,—No. 8598, dated 12th February 1878.

I have the honour to forward, for the consideration and orders of the Government of India, copy of the correspondence noted on the margin, containing a protest from the Calcutta Trades Association against the extension of the system of

From Secretary, Calcutta Trades Association, dated 8th December 1877.
To Secretary, Calcutta Trades Association, No. 8597, dated 12th February 1878.

"value-payable" parcels to overland parcels booked in London for India.

2. The Government will observe that, while intimating to the Association that I do not share their anticipation of injury to trade interests, I have said that the correspondence would be laid before the Government.

3. In the letter of the Calcutta Trades Association, reference is made to a correspondence which took place in 1870, and I may explain, for the information of Government, that in that year I addressed the Trades Associations of Calcutta, Madras, and Bombay, describing the "value-payable" parcel system as existing in the Prussian Post Office, and asking for an expression of their opinion "as to whether they regard the measure as one calculated materially to benefit the public in India."

4. I give below extracts from the replies to the communication above mentioned:—

CALCUTTA TRADES ASSOCIATION,—*27th July* 1870.

"In the absence of details as to the working of this system, the Committee does not feel itself competent to pronounce a decided opinion, although on a *prima facie* view of the question there appears to the Committee no reason why such a system should not succeed in India, where it would, if introduced, be a convenience both to the public and the trade. To the trade the risk which now attends the complying with orders from persons in distant parts of the country of whom little or nothing is known would certainly be greatly diminished, while to the public an easy and expeditious way of paying for goods would be secured. And nowhere would the convenience of such a system be so much appreciated as in the many small stations throughout India where no means are available to the residents for the remittance of money to Calcutta."

MADRAS TRADES ASSOCIATION,—*22nd August* 1870.

"The Committee of this Association think that the introduction into the Indian Post Office of the Prussian system of Postal carriage of parcels and the collection of the cost of them would be very advantageous to the public. The Committee would like to see such a system have a trial in India.

"The Post Office of the United States of America, I believe, performs a similar service, and it is found to work well.

"There can be no doubt that persons in some parts of the mofussil find it very inconvenient to remit small sums of money; and to such persons the system would be invaluable."

BOMBAY TRADES ASSOCIATION,—*31st March* 1871.

"We are strongly of opinion that if you see your way towards adopting the proposed arrangement, it will be of unquestionable benefit to the public. Many of us have large transactions with the mofussil, and our experience leads us to think that considerable numbers of our constituents there would adopt this plan of paying for their purchases in preference to that of sending money in advance.

"The system would doubtless be liable to abuse, sometimes by

the sender, and sometimes by the addressee of a parcel; but as the Post Office would probably protect itself against loss from such abuse, caution would soon be exercised by both parties in making use of the arrangement.

"We beg to express our cordial approval of the proposed system, *if worked wisely*. We understand that it has long been in successful operation in several European countries, and believe that it will result in a large internal development of trade in British India."

5. While in Europe in 1873-74, I found that the system of "value-payable" parcels was not confined to the internal post of Prussia, but had been extended to other European countries, and made to embrace international as well as internal operations. I found also that it was believed to be much valued by the public of the countries to which it had been extended.

6. When I made the reference to the Trades Associations in 1870, the parcel post was confined to Indian limits, and the opinions then given had reference solely to the parcel post as then existing. The parcel post has since been extended to Great Britain; and the question now at issue is, whether the "value-payable" system, regarded for inland purposes as an "unquestionable benefit to the public" (Bombay Association), as a thing "very advantageous to the public" (Madras Association), and as a thing likely to be "a convenience both to the public and the trade" (Calcutta Association), should not be regarded in a similar light as respects the overland service.

7. So far as concerns the convenience of the *Indian public generally*, I believe that the "value-payable" system is beneficially applicable to overland parcels in quite the same degree as to inland parcels. As concerns the interests of that portion of the public *who are engaged in trade in India*, I do not feel able to regard the views held by the Calcutta Trades Association as belonging, in any considerable sense, to Indian tradesmen outside the limits of the Presidency towns. And even as respects those *engaged in trade in the Presidency towns*, I cannot but think that the effect of the measure has been wrongly estimated.

8. I would invite the attention of the Government to the fact that in the overland service it is proposed to limit the amount payable on any single parcel to £10, thus placing an important restriction upon its operation as compared with the inland system. I would also mention that the average weight of an overland parcel from Great Britain to India is only 6·lbs., thus showing the very small character of the transactions for which the overland parcel post is used. The rate of charge, too (6*d.* per lb. for books and 1*s.* per lb. for other articles), is high when compared with the cost of transmission of goods as freight from London to Calcutta, Madras, or Bombay. And having regard to these considerations, I do not see reason to anticipate a disturbance of trade operations in the Presidency towns from the application of the "value payable" system to the overland parcel post. Such an anticipation is, to my mind, premature.

9. I cannot concur in the view expressed in the 4th paragraph of the Association's letter, to the effect that a parcel service which is admitted to be within the legitimate limits of postal organisation,

so long as it is confined to one country, ceases to be so when it links two countries together. This is not the view held in those countries where the system is worked in Europe; and it seems to me obvious that if the value-payable system between England and India is to be condemned on this ground, the whole overland parcel post ought to be condemned with it.

From C. BERNARD, Esq., Additional Secretary to the Government of India, Financial Department, to the SECRETARY, Calcutta Trades Association,—No. 1961, dated 21st March 1878.

Your letter, dated the 23rd February, conveying the views of the Calcutta Trades Association on the proposal to extend the value-payable system to overland parcels, has been considered by His Excellency the Viceroy and Governor General in Council.

2. In reply, I am directed to state that the extension of the value-payable system was proposed as a boon to the public of India, because that system had worked well and had been highly appreciated in European countries, and because it had already been successful in India. Your Association now submits its opinion that the proposed extension is not required by the public, that it is surrounded with many practical difficulties, and that the value-payable system, if successfully applied to overland parcels, will work much injury to the tradesmen of India and, through them, to the public.

3. His Excellency the Viceroy in Council considers that a representation from the Calcutta Trades Association is entitled to much consideration from the Government, and the arguments contained in your letter have accordingly been carefully weighed, both by the Director General of Post Offices and by the Government. At the same time, His Excellency in Council is not satisfied that a boon of this kind, which is expected to benefit the general public, should be withheld in deference to the wishes of the Trades Association. As yet no expression of opinion on the matter has reached the Government of India from any public body, besides your Association. Before taking a final decision, the Governor General in Council will cause other representative bodies to be consulted, whether in their opinion the extension of the value-payable system to overland parcels would, or would not, be a boon to the public, especially to European residents in the interior of the country.

No. 964.

SIMLA, *8th May* 1878.

From A. M. MONTEATH, Esq., Director General of the Post Office of India, to the SECRETARY, BOMBAY CHAMBER OF COMMERCE.

SIR,—In continuation of my communication No. 387, dated 9th April, relative to the objection taken by the Calcutta Trades Association to the extension of the "value-payable" system to overland parcels, I have the honour to annex copy

From the Secretary to the Calcutta Trades Association to the Secretary to the Government of India in the Financial Department, dated the 23rd February 1878.

of the paper noted on the margin, which was accidentally omitted from the papers previously sent. It is the letter to which the Government communication of the 21st March formed a reply.—I have, &c.,

A. M. MONTEATH,
Director General of the Post Office of India.

CALCUTTA, 23*rd February* 1878.

From E. HICKIE, Esq., Secretary to the Calcutta Trades Association, to the SECRETARY to the Government of India, Financial Department.

The Committee of the Calcutta Trades Association having been informed by the Director General of the Post Office that it is his intention to lay before the Government of India the correspondence relating to the system of value-payable parcels recently introduced into the Indian Post Office, and which it is proposed to extend to "overland parcels" booked in London for delivery in India, I have the honour to submit the following observations of the Committee on the subject :—

2. It will be observed, from the accompanying copy of a letter which was addressed by the Association to the Director General on the 8th December 1877, that the Committee have protested against the extension of the system to overland parcels booked in London for delivery in India. The grounds on which the Committee have based their protest are, that the extension of this system beyond the limits of British India is neither essential to the convenience of, nor called for by, the public; that it does not lie within the province of the Post Office; and, lastly, that serious injury would be caused thereby to the interests of those engaged in trade in India.

3. The Director General, in his answer to the protest of the Association, intimates that the proposal has been made "in the interests of the public," and with the object of "promoting the general convenience." The Committee submit that the plea of promoting the convenience of the public cannot fairly be put forward in the present case, as the public have already ample facilities for procuring goods from England through the agency of the overland parcel post, and of paying for them through the Money Order Office. The Committee believe that these agencies fully meet the requirements of the general public so far as Government is justified in providing for them.

4. The persons who would be mainly benefited by the proposed scheme would be the London tradesmen, who do not contribute to the Indian revenue, and possess, by their residence in England, immense advantages over their Indian competitors, but who would, if the value payable parcels system comes into operation, be absolutely guaranteed by the Indian Government against risk. In addition to this, all expenses and losses by Exchange, which are now borne by the Indian tradesman before he receives his

goods, and must be paid, sold or not sold, will be realized by Government from the purchaser.

5. The Committee would remark that the Trades Association made no objection to the introduction of the Money Order and overland parcel post systems, as it was felt that these measures were for the convenience of the Indian public, notwithstanding that they might tell, as they have told, against the direct interests of the Indian trader. It is, however, a very different matter when the Government takes upon itself functions which lie completely outside its legitimate sphere, and the Committee contend that it cannot be any part of the duty of a Department of the Indian Government to collect bills for traders either within or without the country.

6. When the proposed measure was first announced in 1870, it was believed that its application to local transactions would tend to relieve the almost compulsory system of credit which obtains in India; but a re-consideration of the question has led to a better appreciation of the broad principle involved, and the Committee would now prefer to see the proposed scheme abandoned in its entirety. If it be adopted, its application abroad cannot fail to have a depressing influence on trade here, with the probability that the revenue may suffer on the one hand, without either the general public or the Government receiving an adequate advantage on the other.

7. The Committee would also remark that the British Post Office has apparently not advocated the scheme, nor has any connection with it, and it appears, therefore, unjust to the Indian tax-payer that an important public department of this country should be permitted to become the medium for promoting the interests of the London tradesmen only, and to establish in London a separate agency for the Indian Post Office, thereby increasing the home charges of India.

8. It is questionable, also, whether the system, if extended to England, would, under the limit of value-payable, *viz.*, £10, satisfy either the Indian consumer or the London supplier, for the Committee presume that the Government do not contemplate the development of the system, in reference to overland parcels to its *fullest* extent.

9. It is also a significant fact, as showing the undesirability of the proposed scheme, that although private enterprise is ever ready to forward the interests of the public, it has not ventured on an undertaking of this nature.

10. There will also necessarily arise, in connection with this matter, questions of Exchange, Commission, Insurance, Freight, and Customs Duty; and when these are fully considered, the working of the scheme will be found to be surrounded with so many practical business difficulties as would hardly, the Committee conceive, induce any Government to be at all more ready than private enterprise to enter upon it.

11. The Committee would therefore respectfully solicit that a scheme so objectionable on all grounds, and so illusive in the advantages it seems to present to the general public, may not be confirmed by the Government of India.

No. 120 OF 1878.

CHAMBER OF COMMERCE, BOMBAY, 4th May 1878.

The DIRECTOR GENERAL of the POST OFFICE of INDIA.

SIR,—I am directed to acknowledge the receipt of your letter No. 387, of the 9th ultimo, with the accompanying Memorandum and its enclosures, and to state in reply that, in the opinion of this Chamber, the extension of the "value-payable" system to overland parcels would be a boon to the public, especially to European residents in the interior of the country.—I have, &c.,

J. GORDON, Secretary.

No. 3164.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

SEPARATE REVENUE.

Post Office.

SIMLA, *October* 1878.

Read the following papers relative to the extension of the "value-payable" system to overland parcels booked in London, *viz.* :—

Letter from the Director General of the Post Office, No. 8598, dated the 12th February 1878, forwarding, with remarks, copy of a protest from the Calcutta Trades Association, dated the 8th December 1877; and of his reply, dated the 12th February 1878, No. 8597.

Letter from the Calcutta Trades Association, dated the 23rd February 1878, making further remarks on the subject of their protest with reference to the reply thereto received from the Director General of the Post Office.

Letter to the Calcutta Trades Association, No. 1961, dated the 21st March 1878, stating that, before coming to a final decision, His Excellency the Governor General will cause other representative bodies to be consulted.

Letter from the Director General of the Post Office, No. 3512, dated the 9th July, reporting the result of enquiries made in pursuance of the determination mentioned above.

RESOLUTION.—Under the "value-payable" system, the Post Office recovers the declared value of a parcel from the addressee, for the sender, charging for this service a commission of about two per cent. This system has recently been introduced into the inland parcel service of India, without objection being raised: but the Calcutta Trades Association objects to the extension of the system to parcels booked in London for transmission to India.

2. The main grounds of objection are :—

(1) that the measure is not required in the interests of the public;

(2) that it is not the proper duty of the Post Office to perform such a service; and

(3) that the facilities thus afforded to foreign traders would cause serious injury to traders resident in India.

3. With special reference to the first of these grounds, enquiry was made from other representative bodies—

"whether, in their opinion, the extension of the 'value-payable' system to overland parcels would, or would not, be a boon to the public, especially to European residents in the interior of the country."

4. The results of this enquiry are now before the Government. The representative bodies and authorities mentioned on the margin,* have, with the exception of the three last in the list, supported the measure as calculated to confer a real benefit upon the public. And, as regards the British Army in India, the reports from the Commanding Officers specified on the margin† contained unanimous opinions that the measure would be a great boon to the Army.

* Chamber of Commerce, Bengal.
" " Bombay.
Nilgiri Planters' Association.
Travancore "
Agent, East Indian Railway Company.
" Great Indian Peninsula Railway Company.
" Bombay, Baroda & Central India Railway Company.
" Eastern Bengal Railway Company.
" Sind, Punjab & Delhi Railway Company
" South Indian Railway Company.
" Oudh & Rohilkhund Railway Company.
" Madras Railway Company.
Chamber of Commerce, Madras.
Trades Association, "
" " Bombay.

† From Officer Commanding 6th Dragoon Guards, / From Officer Commanding 1-12th Foot, / From Officer Commanding 51st Foot, — With a covering letter from Sir J. Brind, expressing concurrence.
From Officer Commanding 15th Hussars.
From Officer Commanding 2-60th Foot.

5. The Governor General in Council cannot, therefore, doubt that the proposed measure would be appreciated as a public convenience.

6. As regards the next argument, *viz.*, that it is not the duty of the Post Office to provide such a convenience, the Governor General in Council observes that this is not the view taken by some of the most enlightened postal administrations in Europe, and, notably, by that of Germany, which has taken a prominent part in the recent improvement of international postal relations. The German Post Office has not only a large inland service‡ of this kind, but also considerable exchanges,§ under the "value-payable" system, with the principal countries|| of Europe. Even when the post-office of the foreign country has no parcel post (as in the case of Great Britain and some other of the countries mentioned), the German Post Office has arranged with private carrying Agencies for the exchange of parcels upon the "value-payable" system.

‡ About 5¼ millions of articles with "value-payable," amounting to £2,567,000, were carried by the German inland post in 1874.

§ About ½ million of articles with "value-payable," amounting to £280,000, were exchanged by Germany with foreign countries in 1874.

|| The foreign countries with which Germany now has exchanges of "value-payable" articles, as given in a Postal Guide of 1878, are as follows :—

Belgium.	Luxemburgh.
Denmark.	Netherlands.
Great Britain.	Norway.
Heligoland.	Sweden.
Italy.	Switzerland.

7. The Austrian service of "value-payable" articles, though smaller in numbers than the German service, is greater in aggregate value, as will be seen from the figures given on the margin. ¶

¶ About '3 millions of articles with "value-payable," amounting to £3,400,000, were carried by the Austrian post in 1874.

8. No statistics of the operations of the Swiss Post Office in this respect are at hand; but that country has not only an inland "value-payable" service, but also similar services with Germany, Austria, and France.

9. The delivery of parcels, excepting books and samples, has never been admitted into the British postal system, not, as is believed, from any objection on principle, but only on account of the large development of private Agencies for this purpose. It has, hence, been necessary for the Indian Post Office to make arrangements with a private Agency for this branch of its business in Great Britain. The reasons which deter the British Post Office from following the example of Foreign Post Offices in this respect, do not apply to India; and no opposition has been offered to the intervention of the Indian Post Office by the carrying Agencies, one of the largest of which is, in fact, the London correspondent of the Indian Post Office.

10. The Governor General in Council cannot admit that the extension of the "value-payable" system beyond Indian limits would involve a transgression of the legitimate functions of the Post Office.

11. As to the last argument, on which the greatest stress is laid, the Governor General in Council observes that the Trades Associations at the three Presidency towns have united in strongly deprecating the measure, on the ground of anticipated interference with their trade; and that the Madras Chamber of Commerce supports them. It is not merely injury, but "serious injury," that is anticipated by these bodies to the interests of traders settled in India. The Madras Chamber of Commerce goes so far as to look forward to the London tradesmen, under the operation of the proposed measure, beating "their local rivals out of the Indian market."

12. The Director General of the Post Office recorded his opinion upon the original protest, that Indian tradesmen outside the limits of the Presidency towns did not probably share the views of the Calcutta Trades Association; and that the estimate made by this body of the effect of the measure was exaggerated. In support of this opinion, Mr. Monteath pointed to the petty character of the overland parcel traffic, as evidenced by the small average weight (6 lbs.) of the parcels, and to the proposed limitation of the value realisable to £10.

13. The Governor General in Council is inclined to agree with the Director General, and to think that the anticipations of serious injury to Indian tradesmen, are founded on an exaggerated estimate of the practical operation of the measure.

14. The Governor General in Council hopes that further consideration and discussion may result in a change of the views of those who now oppose the measure: and notes especially that the Bombay Trades Association, while fully sharing the objections

made by the Calcutta Association to the measure as it now stands, would be inclined to look with favour on the proposal "if reciprocity in the offered facilities could be secured." The views of the Bombay Trades Association are expressed in the following terms, *viz.*:—

"Under these circumstances, it appears to the Committee that any new arrangement of the kind proposed, should offer an exchange of advantages to the trade of each country; that, if new facilities for trading with India are offered to English traders, similar facilities for trading with England should be secured for the traders of this country European and Native alike. If reciprocity of this kind were secured in the proposed extension of the 'value-payable' system, the Committee and the Association would be inclined to look with favour on the proposal, inasmuch as the injury which it would inflict on them as importers would be counterbalanced by the facilities they would acquire for pushing industrial products of this country in England. In the proposed extension, however, the Committee do not find that any idea of this kind has been entertained. The system is to operate with parcels booked in London, but not with goods sent from this country."

15. There would be no difficulty in meeting the wishes of the Bombay Association by arranging for full reciprocity in the facilities offered: and, in that case, that Association would not, as the Governor General in Council understands, any longer oppose the proposal. It is possible, also, that the opinions of the other bodies who object to the measure in its present form, might then also be modified. His Excellency in Council, therefore, thinks it well, before pressing the introduction of the revised arrangements, to allow time for a fuller consideration of the matter by those whose interests are supposed to be affected adversely.

ORDERED, that the foregoing Resolution be published in the *Gazette of India*, and communicated to the Director General of the Post Office of India, and the several Local Governments and Administrations; also that copies be sent to the several Trades Associations and Chambers of Commerce, who have taken part in the discussion, and their remarks invited especially upon paragraphs 14 and 15.

E. J. SINKINSON,
Under Secy. to the Govt. of India.

APPENDIX R.

STATISTICS OF GRAIN TRAFFIC DURING THE PERIOD OF THE RECENT FAMINE.

No. 953 of 1878.

Public Works Department (Railway).

Bombay Castle, *8th May* 1878.

To the Secretary to the Chamber of Commerce, Bombay.

Sir,—I am directed to forward for the information of the Chamber of Commerce, copy of a Memorandum by the Consulting Engineer for Railways, dated 2nd April, and accompanying diagrams and explanatory notes exhibiting the course of the grain traffic on the Great Indian Peninsula Railway, quarter by quarter, from 1st October 1876 to 30th September 1877: also a statement showing total number and daily average of trains in November 1876 and in April and October 1877.—I have, &c.,

H. F. HANCOCK, Colonel, R.E.,
Under-Secretary to Government.

Memorandum by Lieutenant Beauclerk, R.E., on the Famine Grain Trade of 1876-77, *in the Bombay Presidency.*

Four diagrams are attached: of these 1 and 2 show the tonnage of the food grain traffic between the various districts of the Great Indian Peninsula Railway, with the quantity interchanged with foreign Railways during the past 2 years.

No. 1 is for the half years ending 31st December 1875 and 1876, and No. 2 for those ending the 30th June 1876 and 1877.

Nos. 3 and 4 detail similar information for the City of Bombay in connection not only with the Railways, but the sea borne trade.

2. These diagrams have been compiled from the elaborate half-yearly statements submitted by the Railway Companies, and from information kindly afforded by Her Majesty's Customs authorities.

3. From them an exact comparison can be made of the fluctuations in the Railway and sea borne trade of this Presidency, in food grains and pulses during the past four half years: and it is hoped that they will suffice to satisfy the request of the Government of India for the statistics thereof, conveyed in their No. 1650—54 R., dated 25th May 1877.

4. I have made every endeavour to collect materials for a statement which would show the fluctuations month by month, but

find that sufficient do not exist for the purpose. The weekly statements of grain carried by the Great Indian Peninsula Railway include "*seeds*" a purely export trade, and do not distinguish the districts to and from which the grain has been carried: while those showing the actual deliveries in the affected districts have only been maintained during the past few months, and being for a broken period are until, the monthly traffic during previous half years can be ascertained, equally useless for purposes of comparison.

5. To detail the information given in the diagrams for a half year, month by month, it will be necessary to take out afresh from such record as may exist, the quantities carried between the stations of the Great Indian Peninsula Railway, and interchanged with other Railways, for each month, as far back at least as July 1876 a task which would not only prove both tedious and costly but in view of the detail already available, I would respectfully add, unnecessary.

6. The ton mileage for each half year has been calculated with the assistance of the Auditor of the Great Indian Peninsula Railway Company, and is entered on the diagrams with the total tonnage carried.

7. A statement showing the number of trains of all kinds actually run, and the train mileage taken from the Auditor's reports for the past four half years is also attached.

One showing the daily average number at three distinct periods of the pressure caused by the grain traffic will follow when the required information is received from the Railway Company.

8. To complete the series of diagrams one will be required for the present half year, but this cannot be furnished till the half-yearly statement of traffic is compiled.

9. I notice that the Agent of the Great Indian Peninsula Railway Company, in his letter to this Government, an extract of which has been submitted to the Government of India in No. 1818, of the 27th ultimo, suggests that "average monthly totals derived from the half-yearly statements" be accepted. I beg to submit that no figures exist, by which a proportional average for each month that would be of any statistical value could be taken out. The only other periodical return of grain carried is the before-mentioned weekly statement of tons carried, in which "seeds" are included and in which no distinction between the various districts is entered into.

10. The following is a brief description of the most observable points in the movements of the traffic under review :—

DIAGRAMS 1 AND 2.

Inwards.

The inwards traffic to Bombay steadily increased—

			Tons.
Half year ending		December 1875	64,783
,,	,,	June 1876	93,813
,,	,,	December 1876	112,172
,,	,,	June 1877	162,627

whereas that outwards, which it is presumed was consigned almost entirely to the distressed districts, increased from—

			Tons.
Half year ending		December 1875	61
,,	,,	June 1876	58
,,	,,	December 1876	12,063
,,	,,	June 1877	25,289

The differences are—

			Tons.
Half year ending		December 1875	64,712
,,	,,	June 1876	93,755
,,	,,	December 1876	100,109
,,	,,	June 1877	137,338

The further course of this traffic is shown, by diagrams 3 and 4, to be mainly to the affected districts by sea.

The figures against the affected districts clearly show the scarcity which prevailed: thus *Nasik* usually exports largely; in the half year ending June 1876, it exported 22,402 and only imported 1,773 tons, whereas in the corresponding half year of 1877, it imported 9,081 tons, whereas its exports had sunk to 9,247.

The effects of the drought are most noticeable as might have been expected in the Railway districts of Poona and Sholapur, which have, besides their own consumption, in great measure supplied the adjoining Collectorates of Ahmednagar, Satara and Bijapur (Kaladgi). The figures speak best for themselves—

Those for *Poona* are—

			Tons.	
			Imports.	Exports.
Half year ending		December 1875	4,079	3,179
,,	,,	June 1876	8,441	1,616
,,	,,	December 1876	46,426	6,832
,,	,,	June 1877	47,621	8,060

and for *Sholapur*, an exporting district—

			Tons.	
			Imports.	Exports.
Half year ending		December 1875	962	11,959
,,	,,	June 1876	301	13,589
,,	,,	December 1876	25,614	11,992
,,	,,	June 1877	33,964	12,434

In the Nizam's dominions the distress is not so marked, at any rate during the periods which these figures cover; the State Railway appears to have exported more than usual, *viz.*, 20,712 tons during the first half of 1877, against 1,453 only in that of 1876, its imports rising from 2,326 to 6,727 only during the same period.

Under the head of *Madras Railway* the increased inwards traffic is very marked, thus—

			Tons.
Half year ending		December 1875	6,183
,,	,,	June 1876	8,822
,,	,,	December 1876	28,802
,,	,,	June 1877	71,548

Outwards Traffic.

Of the exporting districts the North-Western Provinces stands first in development: the figures are—

			Tons.
Half year ending		December 1875	430
,,	,,	June 1876	1,422
,,	,,	December 1876	41,759
,,	,,	June 1877	93,083

After the North-Western Provinces, under this head come the Punjab and other districts, chiefly Oudh, of the East Indian Railway. Of the old exporting districts Nagpur, Hoshangabad and Narsinghpur have largely developed their trade. Nimar, it is observed, remains a non-exporting district.

The increase under the head Bombay, Baroda and Central India Railway is not very noticeable, but it must be remembered that the sea is in close, and powerful competition, as is seen from diagrams 3 and 4, and that the merchants of Guzerat held back their stores under the idea that the rains of this year, so long deferred, would fail altogether, and that they would have a better market at home than abroad.

DIAGRAMS 3 AND 4.

In the diagrams illustrating the trade of Bombay, it is noticeable that the exports to Europe do not appear to have suffered very materially, as far at least as can be judged by actual decrease. What the expansion might have been, however, under more favourable conditions, it is impossible to conjecture.

The largely increased export for affected districts is here again very marked; especially that to the southern ports of this Presidency, which supply the Southern Mahratha Country. The figures are—

			Tons.
Half year ending		December 1875	1,664
,,	,,	June 1876	4,713
,,	,,	December 1876	43,375
,,	,,	June 1877	104,655

The latter being one half the total exports for the half year.

Madras also received a more than double quantity during the year of distress.

Of the imports those from the northern parts of this Presidency, including Sind and Kutch, have much increased, while those from Burmah have fallen off owing to the nearer and better market presented by Madras itself.

A suddenly increased quantity of imported grain from foreign ports, of 9,000 tons, appears in the diagram for the first half of 1877. It consists of consignments from Arabia and the Persian Gulf.

The imports from the southern ports of this Presidency consist of rice from the sea board which must have proved too expensive for use in the distressed districts above the ghats.

11. One point is clearly brought out by the diagrams, *i.e.*, the whole of the increased receipts from food grain traffic by the Rail-

ways during the twelve months ending 30th June 1877, is due to the famine, inasmuch as none but consignments to affected districts are seen to have increased, while those to Europe and Guzerat have diminished.

F. BEAUCLERK, Lieut., R.E.,
Acting Deputy Consulting Engineer for Railways.

Bombay, 19th November 1877.

Supplementary Memo. by Lieutenant Young, R.E.

The diagrams prepared by Lieutenant Beauclerk in November last, showing the amount of grain carried by rail and sea during the half years ending December 1875, June and December 1876 and June 1877, have been slightly altered so as to show the movement of grain quarterly, from October 1876 to June 1877. A statement is also added, giving the tons of grain carried by land and sea in the quarter ending September 1877, and when the necessary figures are received for the last quarter of 1877, a similar diagram will be prepared for the half year ending December 1877.

The figures now submitted do not materially affect the inferences drawn from the half-yearly statements on which Lieutenant Beauclerk's memorandum was written, but serve to show more clearly the period of the famine's commencement, height and decline, and its effect on the Railways—

The grain traffic by the G. I. P. Railway to and from Bombay in the four famine quarters was as follows:—

	In. Tons.	Out. Tons.
Quarter ending 31st December 1876	90,063	16,018
,, ,, 31st March 1877	87,327	7,382
,, ,, 30th June 1877	75,300	17,907
,, ,, 30th September 1877	70,064	34,059

The grain traffic to and from Poona and Sholapur—

	Poona.		Sholapur.	
	In. Tons.	Out. Tons.	In. Tons.	Out. Tons.
Quarter ending 31st December 1876	41,684	6,208	25,289	6,444
,, ,, 31st March 1877	20,602	4,129	14,931	7,408
,, ,, 30th June 1877	27,019	3,931	19,033	5,076
,, ,, 30th September 1877	36,130	3,165	27,271	2,906

The grain traffic to and from the Madras Railway—

	In. Tons.	Out. Tons.
Quarter ending 31st December 1876	24,931	184
,, ,, 31st March 1877	32,848	14
,, ,, 30th June 1877	38,700	24
,, ,, 30th September 1877	34,442	456

To and from the Nizam's State Railway—

	In. Tons.	Out. Tons.
Quarter ending 31st December 1876	5,242	4,841
,, ,, 31st March 1877	2,153	9,677
,, ,, 30th June 1877	4,574	11,035
,, ,, 30th September 1877	15,207	4,718

To and from stations in Hyderabad Territory on main Line G. I. P. Railway including Raichur—

	In. Tons.	Out. Tons.
Quarter ending 31st December 1876	6,330	6,154
,, ,, 31st March 1877	9,876	8,101
,, ,, 30th June 1877	10,369	5,347
,, ,, 30th September 1877	13,617	1,312

The traffic in grain, in and out of Bombay, *via* the B. B. and C. I. Railway, is as follows—

	Into Bombay. Tons.	Out of Bombay. Tons.
Quarter ending 31st December 1876	6,464	135
,, ,, 31st March 1877	3,879	713
,, ,, 30th June 1877	5,844	1,065
,, ,, 30th September 1877	4,579	8,000

The Exports from Bombay to southern ports reached a maximum in the third famine quarter, falling suddenly in the fourth owing to the monsoon :—

	Exports to Southern Ports. Tons.
Quarter ending 31st December 1876	41,914
,, ,, 31st March 1877	48,724
,, ,, 30th June 1877	55,931
,, ,, 30th September 1877	18,328

The main sources whence the grain was supplied to the Famine Districts *via* the G. I. P. Railway, being—

	G. I. P. Railway.			Bombay and other Stations.	Total.
	Northern Lines.	N. E. Line, Bhoosawul to Jubulpur.	Nagpur Branch.		
	Tons.	Tons.	Tons.	Tons.	Tons.
Quarter ending 31st Dec. 1876	58,457	40,702	55,977	60 128	215 264
,, ,, 31st March 1877.	65,715	37,751	31,650	48 514	183 630
,, ,, 30th June 1877	63,926	34,892	26,260	60 863	185,941
,, ,, 30th Sept. 1877	72,850	32,466	32,985	67,918	206,216
Total	260,948	145,811	146,872	237,423	*791,054

And the main sources of supply to Bombay by sea—

	Northern Ports, Guzerat and Kattywar.	Southern Ports.	Cutch and Sind.	Bengal, Madras, Burmah.	Foreign Ports.	Total.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Quarter ending 31st Dec. 1876	11,029	10,070	7,917	15,346	868	45,230
,, ,, 31st Mar. 1877.	6,668	9,826	5,122	13,576	4 366	39 558
,, ,, 30th June 1877.	7,444	7,809	7,932	19,525	4,915	47,615
,, ,, 30th Sept. 1877.	654	6,101	6,682	12,532	14,928	40,897
Total	25,795	33,806	27,653	60,979	25,067	1,73,300

* *N.B.*—These figures include grain re-booked from Stations on the G. I. P. Railway.

C. L. YOUNG, Lieutenant, R.E.

21st March 1878.

GREAT INDIAN PENINSULA RAILWAY.

nber and the Daily Average of Down and Up Trains run during the Months of

EMBER 1876.							APRIL 1877.										
	Up.						Down.						Up.						
ge.	Total Number.			Daily Average.			Total Number.			Daily Average.			Total Number.			Daily Average.			Tota
Goods.	Passenger.	Mixed.	Goods.	Passenger.	Mixed.	Goods.	Passenger.	Mixed.	Goods.	Passenger.	Mixed.	Goods.	Passenger.	Mixed.	Goods.	Passenger.	Mixed.	Goods.	Passeng er.
7·47	156	86	121	5·2	2·87	4·03	152	115	320	5·07	3·83	10·67	152	85	327	5·07	2·83	10·9	16
9·00	65	30	287	2·17	1	9·57	62	30	365	2·07	1	12·17	62	30	366	2·07	1	12·2	6
23·17	82	...	638	2·73	...	21·27	67	...	863	2·23	...	28·77	65	...	842	2·17	...	28 07	6
9·93	71	...	403	2·37	...	13·43	62	...	428	2·07	...	14·27	66	...	542	2·2	...	18·07	6
10·03	65	...	396	2·17	...	13·2	62	...	405	2·07	...	13·5	60	...	502	2	...	16·73	6
5·2	34	30	211	1.13	1	7·03	32	30	206	1·07	1	6·87	30	30	292	1	1	9·73	3
3·87	33	30	199	1·1	1	6·63	30	30	156	1	1	5·2	30	30	120	1	1	4·	3
3·67	34	30	169	1·13	1	5·63	31	30	144	1·03	1	4·8	30	30	181	1	1	6·03	3
3·77	33	30	199	1·1	1	6·63	30	30	168	1	1	5·6	30	30	244	1	1	8·13	3
5·63	...	30	172	...	1	5·73	4	26	199	·13	·87	6·63	...	30	202	...	1	6·73	3
3·80	...	30	113	...	1	3·77	4	26	132	·13	·87	4·4	...	30	143	...	1	4·77	3
2·10	...	30	63	...	1	2·1	4	26	93	·13	·87	3·1	...	30	86	...	1	2·87	3
6·77	68	30	174	2·27	1	5·8	60	30	150	2	1	5	60	30	146	2	1	4·87	6
11·53	75	59	295	2·5	1·97	9·83	60	45	310	2	1·5	10·33	62	43	290	2·07	1·43	9·67	6
5 67	66	30	152	2·2	1	5·07	60	30	100	2	1	3·33	60	30	94	2	1	3·13	6
3·17	35	30	72	1·17	1	2·4	30	30	56	1	1	1·87	30	30	49	1	1	1·63	3
5·70	38	30	99	1·27	1	3·3	30	30	101	1	1	3·37	30	30	77	1	1	2·57	3
3·30	37	...	77	1·23	...	2·57	30	...	100	1	...	3·33	30	...	81	1	...	2.7	3
3·40	33	...	76	1·1	...	2·53	31	...	133	1·03	...	4·43	30	...	101	1	...	3·37	3
1·67	4	30	42	·13	1	1·4	...	30	49	...	1	1·63	...	30	50	...	1	1·67	
...	...	...	...	...	...	...	...	60	1	...	2	·03	...	60	1	...	2	·03	...
47	...	30	15	...	1	5	...	30	10	...	1	·33	...	30	5	...	1	·17	...
...	...	...	...	...	...	...	...	25	12	...	·83	·4	1	25	14	·03	·83	·47	

Memorandum by Colonel H. F. Hancock, R. E.

With reference to Government Resolution No. 2034, dated 28th November last, and previous instructions as to the preparation of statements for the Government of India of food grain traffic by rail during the famine period, the Consulting Engineer for Railways has now the honour to submit diagrams, statements, and explanatory memoranda by Lieutenant Beauclerk, R. E., (dated 19th November 1877,) and Lieutenant Young, R. E., (dated 21st March 1878,) which show the course of this traffic, quarter by quarter, from 1st October 1876 to 30th September 1877.

2. In order to assist in distinguishing between "famine traffic" and "traffic other than famine," diagrams have been prepared from statements furnished by the Custom House, showing imports and exports by sea during the same period. From these and the Railway returns combined it appears that Bombay imported during the year ending 30th September 1877

	Tons.
By rail	343,520
By sea	173,300
Total...	516,820

tons of food grains, and sent to the famine districts

By rail	70,657
By sea	209,094
Total...	279,751

tons of food grains, and exported elsewhere 102,602 tons of food grains; the total import being thus largely in excess of the total export during the 12 months.

Further, that 221,935 tons of food grains were sent to the famine districts by rail direct *viâ* Callian without passing through Bombay.

3. The fluctuations of the traffic during this period may be traced from the quarterly diagrams. The series, however, will not be complete without the diagram for the 2nd half of 1877, for, though the famine traffic proper can hardly be said to have lasted after October, it was then replaced by a rush of grain traffic, partly for export and partly for replenishment of local stocks which had been pent up in the districts during the later months of the famine for want of sufficient means of transport. These reserves were cleared out by the end of 1877—not that all which originally offered was actually carried away, for a good deal is understood to have been returned to local granaries; but there was a temporary lull in the traffic, and during November and December the Railway was meeting the demand for carriage—so that the 31st December 1877 will be a good date at which to draw a line of distinction between the traffic of the famine period of 1876-77 and the traffic of the present time which seems to be attaining to even larger dimensions. The Consulting Engineer will submit the diagrams and returns for the 2nd half of 1877 as soon as possible after he receives the station to station traffic returns, together with a general analysis.

H. F. HANCOCK, Colonel, R. E.,
Consulting Engineer for Railways.

Bombay, 2nd April 1878.

No. 1794 of 1878.

PUBLIC WORKS DEPARTMENT (RAILWAY).

BOMBAY CASTLE, *3rd September* 1878.

To The SECRETARY to the CHAMBER of COMMERCE, Bombay.

SIR,—In continuation of my letter No. 953, dated 8th May last and accompaniments,* I am directed to forward for the information of the Chamber copy of a further Memo., dated 5th August last, and accompaniments from the Consulting Engineer for Railways, giving statistics of grain traffic during the period from 1st July 1876 to 31st December 1877, embracing the period of the recent famine in the Deccan and Madras.

*(1.) Diagram of food grain traffic for District traversed by G. I. P. Railway for 6 months ending 31st Dec. 1877.
(2.) Do. exports and imports of food grain by land (Railway) and sea during the same period.
(3.) Tabulated statements marked A and B.

The statement (A) shows the exports of food grain (wheat) from Bombay to Europe in each of the above periods.

It is to be borne in mind, when dealing with figures in statement B showing the main sources of supply, that the figures given for the various lines and stations represent the total export by Railway, not the export to famine districts alone, and that as explained in the foot note, they include the quantities of grain rebooked whether unloaded at original destination or not.—I have, &c.,

W. A. BAKER, Lieut.-Col., R.E.,
Under Secretary to Government.

FOOD GRAIN TRAFFIC, BOMBAY RAILWAYS.

From 1st July 1876 to 31st December 1877.

This comprises the famine period from October 1876 to October 1877. The effects of the famine on the grain traffic were felt to the end of the year 1877, after which the special import of grain to replenish stocks in the districts which had been reduced to meet the famine demand, may be said to have come to an end. During the entire period embraced by the three half yearly diagrams and the statement of quantities for the six corresponding quarters, Bombay imported—

	Tons.
By Great Indian Peninsula Railway	409,511
„ Bombay, Baroda and Central India Railway	22,510
Total by Railway	432,021
By Sea	242,348
Total	674,369

sent to the famine districts of the Deccan—

By Great Indian Peninsula Railway	68,694
„ southern ports	170,948
Total	239,642

sent to Guzerat, Kattywar, &c., which were threatened with scarcity towards the end of the year 1877—

	Tons.
By Bombay, Baroda and Central India Railway	42,525
,, northern ports	35,541
Total.....	78,066

and exported elsewhere 147,907 tons, of which 79,089 tons consisted of wheat sent to Europe.

Besides the above, 240,716 tons of grain were sent to the famine districts by rail direct, *vid* Callian, without passing through Bombay. Bombay, it will be observed, continued to import largely by rail during the last quarter of 1877; also by sea from Bengal and Burmah and from Foreign ports, principally the Persian Gulf.

The exports from Bombay to the Deccan famine districts *via* the Great Indian Peninsula Railway and to southern ports fell during the same period to nearly what they stood at in the quarter ending 30th September 1876 before the famine; but there was a large export from Bombay *via* the Bombay, Baroda and Central India Railway, and to northern ports, to meet anticipated scarcity in Guzerat, Kattywar, Cutch and Rajputana, and replenish stocks denuded in the early days of the Deccan famine.

The exports from Bombay to Europe rose in the same quarter to 13,228 tons. During part of this and the previous quarter, *viz.*, from 11th August to the 26th October, the carriage of grain to Bombay for export by the Great Indian Peninsula Railway had, it will be remembered, been almost entirely suspended owing to the preference given to famine grain by order of Government.

Hyderabad (Nizam's State Railway) continued to import during the last quarter of 1877, chiefly from the Nagpur district, but the imports to Poona, Sholapur, Gulburga, and the Madras Railway, show a marked decrease as compared with previous quarters, due to the improved prospects of the local harvest.

H. F. HANCOCK, Colonel, R.E.,
Consulting Engineer for Railways.

Bombay, 5th August 1878.

FOOD GRAIN—(INCLUDING WHEAT.)

Table showing EXPORT *and* IMLORT *of Food-Grains for* BOMBAY, G. I. P. RAILWAY *and* B. B. AND C. I. RAILWAY, *quarter by quarter, from 1st July 1876 to 31st December 1877.*

	G. I. P. RAILWAY.											
	Bombay.		Poona.		Sholapur.		Madras Railway.		Nizam's State Railway.		G. I. P. Railway Station, Hydrabad Territory.	
	In.	Out.	In.	Out.	In.	Out.	In.	Out.	In.	Out.	In.	Out.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Quarter ending 30th Sept. 1876 ...	22,109	159	4,442	624	325	5,548	3,871	...	6,283	2,171	390	9,305
Do. do. 31st Dec. 1876 ...	90,063	16,018	41,684	6,208	25,289	6,448	24,931	184	5,242	4,841	6,330	6,154
Do. do. 31st March 1877 ...	87,327	7,382	20,602	4,129	14,931	7,408	32,848	14	2,153	9,677	9,876	8,101
Do. do. 30th June 1877 ...	75,300	17,907	27,019	3,931	19,033	5,076	38,700	24	4,574	11,035	10,369	5,347
Do. do. 30th Sept. 1877 ...	70,064	34,059	36,130	3,165	27,271	2,906	34,442	456	15,207	4,718	13,617	1,312
Do. do. 31st Dec. 1877 ...	64,648	2,629	5,798	4,171	2,143	7,228	9,357	888	16,742	415	3,193	754
Total ...	409,511	78,154	135,675	22,228	88,992	34,614	144,149	1,566	50,201	32,857	43,775	30,973

FOOD GRAIN—(INCLUDING WHEAT.)—*Continued.*

	B. B. & C. I. RAILWAY.		SEA-BORNE EXPORTS FROM BOMBAY.					SEA-BORNE IMPORTS TO BOMBAY.					
	Bombay.		To Europe.	To Southern Ports.	To Guzerat and Kattywar.	To other Indian Ports.	Total.	From Northern Ports, Guzerat and Kattywar.	From Southern Ports.	From Cutch and Sind.	From Bengal, Madras & Burmah.	From Foreign Ports.	Total.
	In.	Out.											
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Quarter ending 30th Sept. 1876...	1,432	116	12,185	1,431	451	4,396	18,463	782	5,201	323	2,837	39	9,182
Do. do. 31st Dec. 1876 ...	6,464	135	10,779	41,944	1,371	15,116	69,210	11,029	10,070	7,917	15,346	868	45,230
Do. do. 31st March 1877.	3,879	713	8,798	48,724	3,589	21,048	82,159	6,668	9,826	5,122	13,576	4,366	39,558
Do. do. 30th June 1877 ...	5,844	1,065	21,952	55,931	3,559	7,350	88,792	7,444	7,809	7,932	19,525	4,905	47,615
Do. do. 30th Sept. 1877...	4,579	8,000	12,147	18,328	3,327	5,464	39,266	654	6,101	6,682	12,532	14,928	40,897
Do. do. 31st Dec. 1877 ...	312	32,496	13,228	4,590	23,244	5,984	47,046	580	12,418	770	28,689	17,409	59,866
Total ...	22,510	42,525	79,089	170,948	35,541	59,358	344,936	27,157	51,425	23,746	92,505	42,515	242,348

FOOD-GRAIN—(INCLUDING WHEAT.)

Table showing Main Sources of supply of Food-Grain, G. I. P. RAILWAY.

Quarter Ending.	From Northern Lines.	From N. E. Line, Bhusawal to Jubalpur.	From Nagpur Branch.	From Bombay and other Stations. *	Total.†
	Tons.	Tons.	Tons.	Tons.	Tons.
30th September 1876 ...	4,191	13,359	12,850	22,687	53,087
31st December 1876 ...	58,457	40,702	55,977	60,128	215,264
31st March 1877 ...	65,715	37,751	31,650	48,514	183,630
30th June 1877 ...	63,926	34,892	26,260	60,863	185,941
30th September 1877 ...	72,850	32,466	32,985	67,918	206,219
31st December 1877 ...	13,131	51,646	39,941	23,281	127,999
Total ...	278,270	210,816	199,663	283,391	972,140

* Excludes Bombay Stations on B. B. and C. I. Railway, Holkar and Neemuch and Nizam's State Railways.

† These figures include grain re-booked from Stations on the G. I. P Railway.

APPENDIX S.

THE NEW OPIUM RULES.

No. 1163 of 1878.

Bombay Custom House, *29th May* 1878.

From the Deputy Commissioner of Customs and Opium, Presidency Division, to the Secretary to the Chamber of Commerce, Bombay.

Sir,—I have the honour to enclose for the information and use of the Chamber 20 copies of a circular on the subject of the new Opium Rules in their relation to the wholesale trade, issued to-day under instructions from the Commissioner of Customs. Copies have been sent to the principal firms interested in the Opium Trade, but I shall be glad if you will give the matter such further publicity as may be in your power.—I have, &c.,

A. C. TREVOR,
Deputy Commissioner of Customs.

CIRCULAR.

The attention of all persons interested in the Opium Trade is drawn to the fact, that by Act I. of 1878, which came into force in this Presidency from the 1st ultimo, and by the Rules published under it in the *Government Gazette* Extraordinary of the same date, possession of more than ten tolas of opium by any person not being a Licensed Retailer or Medical Practitioner, or not holding a special Permit granted under Rule 5 (*b*) is made illegal, unless the quantity of opium and the place where it is deposited are registered in this Office, and noted on the Passport which covers it.

Wholesale Dealears and others who may be in possession of opium contrary to these provisions should furnish the necessary particulars and produce their Passports for endorsation at the Opium Department of the Custom House on or before the 30th June 1878, after which date all opium found unregistered will be held liable to seizure, and the persons concerned to punishment according to law.

Attention is further drawn to the provisions of the Rules forbidding transport of opium within or without the limits of Bombay, except under cover of a Permit, and providing that no such Permit, shall be given for opium brought to Bombay for wholesale trade and exportation, except for whole or half chests.

On and after the 1st July 1878, this Rule will be strictly enforced, and Importers will save themselves and others much

possible trouble and inconvenience by arranging for the deposit of their importations in the first instances in places which afford all necessary facilities for sampling and testing and storage up to final exportation.

A. C. TREVOR,
Deputy Commissioner of Customs, P. D.

Bombay, Custom House, 28th May 1878.

No. 140 of 1878.

CHAMBER of COMMERCE, BOMBAY, 10*th June* 1878.

The DEPUTY COMMISSIONER of CUSTOMS and OPIUM, Presidency Division.

SIR,—I have the honour to acknowledge the receipt of your letter No. 1163 of the 29th ultimo, enclosing for the information and use of the Chamber 20 copies of a circular on the subject of the new Opium Rules in their relation to the wholesale trade, and requesting the Chamber to give such further publicity to this circular as may be in its power.

The Committee have had this circular under consideration and they direct me to point out that it will be impossible to carry on the ordinary transactions of the purchase and sale of opium in Bombay, unless purchasers are allowed to convey samples to their offices for the purposes of testing. Fires on which the samples are boiled are necessary in the operation of testing, and fires could not without great risk be introduced into the present opium godowns, while the owners of the opium stored in these godowns will not, because of the great value of the article and its highly inflammable nature, allow a fire to be lighted under the same roof. The Committee do not see how the difficulty can be surmounted, but they will be glad to be informed if the Commissioner can suggest a method of overcoming it.

It appears to the Committee that wholesale traders, after paying the enormous duty of Rs. 650 per chest of 140 lbs., have reason to complain of the severity of Rules which throw such obstacles in the way of their trade merely with the object of regulating the infinitesimal transactions of the retailer.—I have, &c.,

J. GORDON, Secretary.

No. 1393 OF 1878.

BOMBAY CUSTOM HOUSE, *25th June* 1878.

From the DEPUTY COMMISSIONER of CUSTOMS and OPIUM, Presidency Division, to the SECRETARY to the CHAMBER of COMMERCE, Bombay.

SIR,—With reference to your letter of the 10th instant, on the subject of the new Opium Rules, I shall feel obliged if the Chamber can furnish me with an estimate of the amount of separate accommodation for testing which would be required, if Government should decide to modify the Rules so far as to admit of the testing being carried on elsewhere than in the godowns.

I shall be glad also to be favoured with their opinion as to whether this accommodation could be most suitably provided by the trade for themselves or by Government; and if the latter, what degree of privacy would be necessary, and what amount of rent merchants would be prepared to pay for use of it; also with any other suggestions that the Chamber may be disposed to offer.

I should explain that I ask for this information for my own use in reporting on the matter not as in any way anticipating the view that Government may take.—I have, &c.,

A. C. TREVOR,
Deputy Comissioner of Customs, P. D.

No. 157 OF 1878.

CHAMBER OF COMMERCE, BOMBAY, *9th July* 1878.

The DEPUTY COMMISSIONER of CUSTOMS and OPIUM, Presidency Division.

SIR,—Your letter No. 1393, dated the 25th ultimo, has been under the consideration of the Committee, who desire me to state, in reply, that it is impossible for the Chamber to estimate the amount of accommodation required by the whole trade for testing opium as it sometimes happens that fully 2,000 chests are bought, sampled, packed and shipped by a great number of shippers in three or four days. It can easily be seen what confusion and delay would arise if all the parties concerned were compelled to resort to one sampling room. The smaller shippers who look after their own testing and have nothing else to do might possibly fall

into some such arrangement, but merchants who employ their servants to boil and prepare the opium for their inspection could scarcely be expected to spend the whole of their time in a public sampling room away from their offices, to the neglect of their other business. Disputes frequently arise which can only be settled by the principals concerned in buying and selling, and such disputes must be decided by the results of the tests. It could not be expected that a merchant shipping 500 to 1,000 chests, bought from various importers, should settle these disputes elsewhere than in his own office. The establishment of public testing rooms, the use of which would be compulsory, would cause serious inconvenience to merchants, would necessitate the employment of additional assistants, and would be an unnecessary and useless interference with the freedom of the trade. It must be remembered that an expensive article like opium is not bought or selected slowly and leisurely; it is sampled, weighed, and paid for as quickly as the operations can be performed in order to avoid loss of interest, &c. Every opium exporter has his own place, and apparatus for testing at his office, and it would therefore be unreasonable for Government to require merchants to pay rent if they were compelled to carry on their testing operations in another building, against their wish and to their manifest inconvenience and annoyance.

The Committee direct me to suggest as a means of overcoming the difficulty connected with the transport of opium samples from the importer's godown to the exporter's office, that periodical licenses or permits should be issued by the Commissioner of Customs to all respectable merchants applying for the same, that such licenses or permits should convey a general authority for the transport of samples from the opium godowns to the merchant's office, and that they should be renewable on application at the expiration of the period for which they are issued. It does not appear from this correspondence how Government proposes to deal with these samples, which are of considerable value. The Committee recommend that Government should either agree to take over the whole at market rate to supply its wants in connection with the retail trade, or should issue special passes to merchants holding samples in order to allow their export in the usual way.—I have, &c.,

J. GORDON, Secretary.

APPENDIX T.

THE TREATY OF TIENTSIN.

No 4157 of 1878

REVENUE DEPARTMENT,

BOMBAY CASTLE, *16th August* 1878.

To the SECRETARY to the CHAMBER of COMMERCE, Bombay.

SIR,—I am directed by His Excellency the Governor in Council to forward the accompanying copy of a letter from the Government of India, No. 432, dated 9th instant, with accompaniments, and to request you will be good enough to favour Government with any suggestions and views that the Chamber may have to offer on the points referred to in para. 1 of the Government of India's letter.

2. The favour of a very early reply is requested, as the Government of India desire that a reply may be sent to them before the end of the current month.—I have, &c.,

D. MACKENZIE,
For Chief Secretary to Government.

No. 432.

SIMLA, *9th August* 1878.

From A. O. HUME, ESQ., C.B., Secretary to the Government of India, to the SECRETARY to the GOVERNMENT of BOMBAY.

SIR.—I am directed to forward copy of a despatch from Her Majesty's Secretary of State for India, No. 85, dated the 2nd May 1878, and of its enclosures, on the subject of the revision of the Treaty of Tientsin, and to request that the Bombay Chamber of Commerce may be invited to favour the Government of India with any suggestions they may wish to make in regard to the modification of the commercial clauses of the Treaty and of the Convention subsidiary to the Treaty subsequently entered into with the Chinese Government, so far as these clauses affect the trade between India and China. Copies of the Treaty and Convention are enclosed for ready reference. The Governor General in Council would also be glad to be informed, through the Chamber, of the views held by merchants in Bombay interested in the opium trade.

2. It will be observed that unless a claim for revision is made

six months previous to the expiry of the term of the Treaty, it will continue in force unaltered for a further term of ten years. The six months commenced to run from the 26th June last, and it is therefore essential if any modifications are to be suggested, that a reply to this letter should be furnished promptly. I am to request that, if possible, a reply may be forwarded, so as to reach this Department at Simla before the end of August.—I have, &c.,

A. O. HUME,
Secretary to the Government of India.

CONVENTION AND TREATY OF PEACE BETWEEN GREAT BRITAIN AND CHINA, WITH TARIFF AND RULES.

* * * * * *

CONVENTION OF PEACE BETWEEN HER MAJESTY AND THE EMPEROR OF CHINA.

SIGNED AT PEKING, OCTOBER 24TH, 1860.

* * * * * *

ART. IV.—It is agreed that on the day on which this Convention is signed, His Imperial Majesty the Emperor of China shall open the port of Tientsin to trade, and that it shall be thereafter competent to British subjects to reside and trade there, under the same conditions as at any other port of China by Treaty open to trade.

ART. V.—As soon as the ratifications of the Treaty of one thousand eight hundred and fifty-eight shall have been exchanged, His Imperial Majesty the Emperor of China will, by decree, command the high authorities of every province to proclaim throughout their jurisdictions, that Chinese choosing to take service in the British Colonies, or other parts beyond sea, are at perfect liberty to enter into engagements with British subjects for that purpose, and to ship themselves and their families on board any British vessel at any of the open ports of China; also that the high authorities aforesaid shall, in concert with Her Britannic Majesty's Representative in China, frame such regulations for the protection of Chinese emigrating as above, as the circumstances of the different open ports may demand.

* * * * * *

TREATY OF PEACE, FRIENDSHIP, COMMERCE, AND NAVIGATION, BETWEEN HER MAJESTY AND THE EMPEROR OF CHINA.

SIGNED AT TIENTSIN, JUNE 26TH, 1858.

RATIFICATIONS EXCHANGED AT PEKING, OCTOBER 24TH, 1860.

* * * * * *

The Supplementary Treaty and General Regulations of Trade having been amended and improved, and the substance of their provisions having been incorporated in this Treaty, the said Sup-

plementary Treaty and General Regulations of Trade are hereby abrogated.

* * * * * *

ART. VII.—Her Majesty the Queen may appoint one or more Consuls in the dominions of the Emperor of China; and such Consul or Consuls shall be at liberty to reside in any of the open ports or cities of China, as Her Majesty the Queen may consider most expedient for the interests of British commerce. They shall be treated with due respect by the Chinese authorities, and enjoy the same privileges and immunities as the Consular Officers of the most favoured nation.

* * * * * *

ART. IX.—British subjects are hereby authorized to travel, for their pleasure or for purposes of trade, to all parts of the interior, under passports which will be issued by their Consuls, and countersigned by the local authorities. These passports, if demanded, must be produced for examination in the localities passed through. If the passport be not irregular, the bearer will be allowed to proceed, and no opposition shall be offered to his hiring persons or hiring vessels for the carriage of his baggage or merchandize. If he be without a passport, or if he commit any offence against the law, he shall be handed over to the nearest Consul for punishment, but he must not be subjected to any ill-usage in excess of necessary restraint. No passport need be applied for by persons going on excursions from the ports open to trade to a distance not exceeding 100 *li*, and for a period not exceeding five days.

The provisions of this Article do not apply to crews of ships, for the due restraint of whom regulations will be drawn up by the Consul and the local authorities.

* * * * * *

ART. X.—British merchant-ships shall have authority to trade upon the Great River (Yang-tsz). The Upper and Lower Valley of the river being, however, disturbed by outlaws, no port shall be, for the present, opened to trade, with the exception of Chin-kiang, which shall be opened in a year from the date of the signing of this Treaty.

So soon as peace shall have been restored, British vessels shall also be admitted to trade at such ports as far as Han-kow, not exceeding three in number, as the British Minister, after consultation with the Chinese Secretary of State, may determine shall be ports of entry and discharge.

ART. XI.—In addition to the cities and towns of Canton, Amoy, Fuchow, Ningpo, and Shanghai, opened by the Treaty of Nanking, it is agreed that British subjects may frequent the cities and ports of New-Chwang, Tang-Chow, Tai-Wan (Formosa), Chau-Chow (Swatow), and Kiung Chow (Hainan).

They are permitted to carry on trade with whomsoever they please, and to proceed to and fro at pleasure with their vessels and merchandize.

They shall enjoy the same privileges, advantages, and immunities at the said towns and ports as they enjoy at the ports already opened to trade, including the right of residence, of buying or

renting houses, of leasing land therein, and of building churches, hospitals, and cemeteries.

ART. XII.—British subjects, whether at the ports or at other places, desiring to build or open houses, warehouses, churches, hospitals, or burial-grounds, shall make their agreement for the land or buildings they require at the rates prevailing among the people, equitably, and without exaction on either side.

* * * * * *

ART. XIV.—British subjects may hire whatever boats they please for the transport of goods or passengers, and the sum to be paid for such boats shall be settled between the parties themselves, without the interference of the Chinese Government. The number of these boats shall not be limited, nor shall a monopoly in respect either of the boats, or of the porters or coolies engaged in carrying the goods, be granted to any parties. If any smuggling takes place in them, the offenders will, of course, be punished according to law.

* * * * * *

ART. XIX.—If any British merchant-vessel, while within Chinese waters, be plundered by robbers or pirates, it shall be the duty of the Chinese authorities to use every endeavour to capture and punish the said robbers or pirates, and to recover the stolen property, that it may be handed over to the Consul for restoration to the owner.

ART. XX.—If any British vessel be at any time wrecked or stranded on the coast of China, or be compelled to take refuge in any port within the dominions of the Emperor of China, the Chinese authorities, on being apprised of the fact, shall immediately adopt measures for its relief and security; the persons on board shall receive friendly treatment, and shall be furnished, if necessary, with the means of conveyance to the nearest Consular station.

ART. XXI.—If criminals, subjects of China, shall take refuge in Hongkong, or on board the British ships there, they shall, upon due requisition by the Chinese authorities, be searched for, and, on proof of their guilt, be delivered up.

In like manner, if Chinese offenders take refuge in the houses or on board the vessels of British subjects at the open ports, they shall not be harboured or concealed, but shall be delivered up, on due requisition by the Chinese authorities, addressed to the British Consul.

* * * * * *

ART. XXIII.—Should natives of China who may repair to Hongkong to trade, incur debts there, the recovery of such debts must be arranged for by the English Courts of Justice on the spot; but should the Chinese debtor abscond, and be known to have property, real or personal, within the Chinese territory, it shall be the duty of the Chinese authorities, on application by, and in concert with, the British Consul, to do their utmost to see justice done between the parties.

ART. XXIV.—It is agreed that British subjects shall pay, on all merchandize imported or exported by them, the duties pre-

scribed by the tariff; but in no case shall they be called upon to pay other or higher duties than are required of the subjects of any other foreign nation.

ART. XXV.—Import duties shall be considered payable on the landing of the goods, and duties of export on the shipment of the same.

ART. XXVI.—Whereas the tariff fixed by Article X. of the Treaty of Nanking, and which was estimated so as to impose on imports and exports a duty at about the rate of five per cent. *ad valorem*, has been found, by reason of the fall in value of various articles of merchandize, therein enumerated, to impose a duty upon these, considerably in excess of the rate originally assumed as above, to be a fair rate, it is agreed that the said tariff shall be revised, and that as soon as the Treaty shall have been signed, application shall be made to the Emperor of China to depute a high officer of the Board of Revenue to meet at Shanghai, officers to be deputed on behalf of the British Government, to consider its revision together, so that the tariff, as revised, may come into operation immediately after the ratification of this Treaty.

ART. XXVII.—It is agreed that either of the High Contracting Parties to this Treaty may demand a further revision of the tariff and of the Commercial Articles of this Treaty, at the end of ten years; but if no demand be made on either side within six months after the end of first ten years, then the tariff shall remain in force for ten years more, reckoned from the end of the preceding ten years; and so it shall be, at the end of each successive ten years.

ART. XXVIII.—Whereas it was agreed in Article X. of the Treaty of Nanking, that British imports, having paid the tariff duties, should be conveyed into the interior free of all further charges, except a transit duty, the amount whereof was not to exceed a certain percentage on tariff value; and whereas no accurate information having been furnished of the amount of such duty, British merchants have constantly complained that charges are suddenly and arbitrarily imposed by the provincial authorities as transit duties upon produce on its way to the foreign market, and on imports on their way into the interior, to the detriment of trade; it is agreed that within four months from the signing of this Treaty, at all ports now open to British trade, and within a similar period at all ports that may hereafter be opened, the authority appointed to superintend the collection of duties shall be obliged, upon application to the Consul, to declare the amount of duties leviable on produce between the place of production and the port of shipments, and upon imports between the Consular port in question and the inland markets named by the Consul; and that a notification thereof shall be published in English and Chinese for general information.

But it shall be at the option of any British subject, desiring to convey produce purchased inland to a port, or to convey imports from a port to an inland market, to clear his goods of all transit duties, by payment of a single charge. The amount of this charge shall be leviable on exports at the first barrier they may have to pass, or, on imports, at the port at which they are landed; and on

payment thereof, a certificate shall be issued which shall exempt the goods from all further inland charges whatsoever.

It is further agreed, that the amount of this charge shall be calculated, as nearly as possible, at the rate of two and a-half per cent. *ad valorem*, and that it shall be fixed for each Article at the Conference to be held at Shanghai for the revision of the Tariff.

It is distinctly understood, that the payment of transit dues, by commutation or otherwise, shall in no way affect the tariff duties on imports or exports, which will continue to be levied separately and in full.

ART. XXIX.—British merchant-vessels, of more than one hundred and fifty tons burden, shall be charged tonnage-dues at the rate of four mace per ton; if of one hundred and fifty tons and under, they shall be charged at the rate of one mace per ton.

Any vessel clearing from any of the open ports of China for any other of the open ports, or for Hongkong, shall be entitled, on application of the master to a special certificate from the Customs, on exhibition of which she shall be exempted from all further payment of tonnage-dues in any open port of China, for a period of four months, to be reckoned from the date of her port-clearance.

ART. XXX.—The master of any British merchant-vessel may, within forty-eight hours after the arrival of his vessel, but not later, decide to depart without breaking bulk, in which case he will not be subject to pay tonnage-dues. But tonnage-dues shall be held due after the expiration of the said forty-eight hours. No other fees or charges upon entry or departure shall be levied.

ART. XXXI.—No tonnage-dues shall be payable on boats employed by British subjects in the conveyance of passengers, baggage, letters, articles of provision, or other articles not subject to duty, between any of the open ports. All cargo boats, however, conveying merchandize subject to duty shall pay tonnage-dues once in four months at the rate of one mace per register ton.

ART. XXXII.—The Consuls and Superintendents of Customs shall consult together regarding the erection of beacons or light-houses, and the distribution of buoys and lightships, as occasion may demand.

ART. XXXIII.—Duties shall be paid to the bankers, authorized by the Chinese Government to receive the same in its behalf, either in syce or in foreign money, according to the assay made at Canton on the thirteenth of July one thousand eight hundred and forty-three.

ART. XXXIV.—Sets of standard weights and measures, prepared according to the standard issued to the Canton Custom-house by the Board of Revenue, shall be delivered by the Superintendent of Customs to the Consul at each port, to secure uniformity and prevent confusion.

ART. XXXV.—Any British merchant-vessel arriving at one of the open ports shall be at liberty to engage the services of a pilot to take her into port. In like manner, after she has discharged all legal dues and duties, and is ready to take her departure, she shall be allowed to select a pilot, to conduct her out of port.

ART. XXXVI.—Whenever a British merchant-vessel shall arrive off one of the open ports, the Superintendent of Customs shall

depute one or more Customs officers to guard the ship. They shall either live in a boat of their own or stay on board the ship, as may best suit their convenience. Their food and expenses shall be supplied them from the Custom-house, and they shall not be entitled to any fees whatever from the master or consignee. Should they violate this regulation, they shall be punished proportionately to the amount exacted.

ART XXXVII.—Within twenty-four hours after arrival, the ship's papers, bills of lading, &c., shall be lodged in the hands of the Consul, who will, within a further period of twenty-four hours, report to the Superintendent of Customs the name of the ship, her register tonnage, and the nature of her cargo. If owing to neglect on the part of the master, the above rule is not complied with, within forty-eight hours after the ship's arrival, he shall be liable to a fine of fifty taels for every day's delay: the total amount of penalty, however, shall not exceed two hundred taels.

The master will be responsible for the correctness of the manifest, which shall contain a full and true account of the particulars of the cargo on board. For presenting a false manifest, he will subject himself to a fine of five hundred taels, but he will be allowed to correct, within twenty-four hours after delivery of it to the Customs' officers, any mistake he may discover in his manifest without incurring this penalty.

ART. XXXVIII.—After receiving from the Consul the report in due form, the Superintendent of Customs shall grant the vessel a permit to open hatches. If the master shall open hatches, and begin to discharge any goods without such permission, he shall be fined five hundred taels, and the goods discharged shall be confiscated wholly.

ART. XXXIX.—Any British merchant who has cargo to land or ship, must apply to the Superintendent of Customs for a special permit. Cargo landed or shipped without such permit, will be liable to confiscation.

ART. XL.—No transhipment from one vessel to another can be made without special permission, under pain of confiscation of the goods so transhipped.

ART. XLI.—When all dues and duties shall have been paid, the Superintendent of Customs shall give a port-clearance, and the Consul shall then return the ship's papers, so that she may depart on her voyage.

ART. XLII.—With respect to articles subject, according to the Tariff, to an *ad valorem* duty, if the British merchant cannot agree with the Chinese officer in affixing a value, then each party shall call two or three merchants to look at the goods, and the highest price at which any of these merchants would be willing to purchase them, shall be assumed as the value of the goods.

ART. XLIII.—Duties shall be charged upon the net weight of each article, making a deduction for the tare weight of congee, &c. To fix the tare on any article such as tea, if the British merchant cannot agree with the Custom-house officer, then each party shall choose so many chests out of every hundred, which being first weighed in gross, shall afterwards be tared, and the average tare upon these chests shall be assumed as the tare upon the whole; and upon this principle shall the tare be fixed upon

all other goods and packages. If there should be any other points in dispute which cannot be settled, the British merchant may appeal to his Consul, who will communicate the particulars of the case to the Superintendent of Customs, that it may be equitably arranged. But the appeal must be made within twenty four hours, or it will not be attended to. While such points are still unsettled, the Superintendent of Customs shall postpone the insertion of the same in his books.

ART. XLIV.—Upon all damaged goods a fair reduction of duty shall be allowed, proportionate to their deterioration. If any disputes arise, they shall be settled in the manner pointed out in the clause of this Treaty having reference to articles which pay duty *ad valorem*.

ART. XLV.—British merchants who may have imported merchandize into any of the open ports, and paid the duty thereon, if they desire to re-export the same, shall be entitled to make application to the Superintendent of Customs, who, in order to prevent fraud on the revenue, shall cause examination to be made by suitable officers, to see that the duties paid on such goods, as entered in the Custom-house books, correspond with the representation made, and that the goods remain with their original marks unchanged. He shall then make a memorandum on the port-clearance of the goods, and of the amount of duties paid, and deliver the same to the merchant; and shall also certify the facts to the officers of Customs of the other ports. All which being done, on the arrival in port of the vessel in which the goods are laden, everything being found on examination there to correspond, she shall be permitted to break bulk, and land the said goods, without being subject to the payment of any additional duty thereon. But if, on such examination, the Superintendent of Customs shall detect any fraud on the revenue in the case, then the goods shall be subject to confiscation by the Chinese Government.

British merchants desiring to re-export duty-paid imports to a foreign country, shall be entitled, on complying with the same conditions as in the case of re-exportation to another port in China, to a draw-back-certificate, which shall be a valid tender to the Customs in payment of import or export duties.

Foreign grain brought into any port of China in a British ship, if no part thereof has been landed, may be re-exported without hindrance.

ART. XLVI.—The Chinese authorities at each port shall adopt the means they may judge most proper to prevent the revenue suffering from fraud or smuggling.

ART. XLVII.—British merchant-vessels are not entitled to resort to other than the ports of trade declared open by this Treaty. They are not unlawfully to enter other ports in China, or to carry on clandestine trade along the coasts thereof. Any vessel violating this provision, shall, with her cargo, be subject to confiscation by the Chinese Government.

ART. XLVIII.—If any British merchant-vessel be concerned in smuggling, the goods, whatever their value or nature, shall be subject to confiscation by the Chinese authorities, and the ship

may be prohibited from trading further, and sent away as soon as her accounts shall have been adjusted and paid.

ART. XLIX.—All penalties enforced, or confiscations made, under this Treaty, shall belong and be appropriated to the public service of the Government of China.

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ART. LII.—British ships of war coming for no hostile purpose, or being engaged in the pursuit of pirates, shall be at liberty to visit all ports within the dominions of the Emperor of China, and shall receive every facility for the purchase of provisions, procuring water, and, if occasion require, for the making of repairs. The Commanders of such ships shall hold intercourse with the Chinese authorities, on terms of equality and courtesy.

ART. LIII.—In consideration of the injury sustained by native and foreign commerce from the prevalence of piracy in the seas of China, the High Contracting Parties agree to concert measures for its suppression.

ART. LIV.—The British Government and its subjects are hereby confirmed in all privileges, immunities, and advantages conferred on them by previous Treaties; and it is hereby expressly stipulated that the British Government and its subjects will be allowed free and equal participation in all privileges, immunities, and advantages that may have been, or may be hereafter, granted by His Majesty the Emperor of China to the Government or subjects of any other nation.

* * * * * *

AGREEMENT

IN PURSUANCE OF ARTICLES 26 AND 28 OF THE TREATY OF TIENTSIN.

SIGNED AT SHANGHAI, NOVEMBER 8TH, 1858.

Whereas it was provided, by the Treaty of Tientsin, that a conference should be held at Shanghai between officers deputed by the British Government on the one part, and by the Chinese Government on the other part, for the purpose of determining the amount of tariff duties and transit-dues to be henceforth levied, a conference has been held accordingly; and its proceedings having been submitted to the Right Honourable the Earl of Elgin and Kincardine, High Commissioner and Plenipotentiary of Her Majesty the Queen, on the one part; and to Kweiliang, Hwashana, Ho Kweitsing, Mingshen, and Twan Chingshih, High Commissioners and Plenipotentiaries of His Imperial Majesty the Emperor, on the other part, these High Officers have agreed and determined upon the revised Tariff hereto appended, the rate of transit-dues therewith declared, together with other Rules and Regulations for the better explanation of the Treaty aforesaid; and do hereby agree that the said Tariff and Rules—the latter being in ten Articles thereto appended—shall be equally binding on the Governments and subjects of both countries with the Treaty itself.

In Witness whereof, they hereto affix their Seals and Signatures.

Done at Shanghai, in the Province of Kiangsu, this eighth day of November, in the year of Our Lord eighteen hundred and fifty-eight, being the third day, of the tenth moon, of the eighth year of the reign of Hien-fung.

(L. S.) ELGIN AND KINCARDINE.

Seal of Chinese Plenipotentiaries.	Signatures of the Five Chinese Plenipotentiaries.

Tariff of duties on the British trade with China.

I.—Tariff on Imports.

		T.	*m.*	*c.*	*c.*
Agar-agar	per 100 catties	0	1	5	0
Assafœtida	do.	0	6	5	0
Beeswax, Yellow	do.	1	0	0	0
Betel-nut	do.	0	1	5	0
Do. Husk	do.	0	0	7	5
Bicho-de-mar, Black...	do.	1	5	0	0
Do. White	do.	0	3	5	0
Birdnests, 1st quality	per catty	0	5	5	0
Do. 2nd do.	do.	0	4	5	0
Do. 3rd do. or uncleaned	do.	0	1	5	0
Buttons, Brass	per gross	0	0	5	5
Camphor, Baroos, clean	per catty	1	3	0	0
Do. refuse	do.	0	7	2	0
Canvas and Cotton Duck, not exceeding 50 yds. long	per piece	0	4	0	0
Cardamoms, superior	per 100 catties	1	0	0	0
Do. inferior or Grains of Paradise ...	do.	0	5	0	0
Cinnamon	do.	1	5	0	0
Clocks	5 per cent.	*ad valorem*			
Cloves	per 100 catties	0	5	0	0
Do. Mother	do.	0	1	8	0
Coal, Foreign	per ton	0	0	5	0
Cochineal	per 100 catties	5	0	0	0
Coral	per catty	0	1	0	0
Cordage, Manila	per 100 catties	0	3	5	0
Cornelians	do. 100 stones	0	3	0	0
Do. Beads	do. 100 catties	7	0	0	0
Cotton, Raw	do. do.	0	3	5	0
Do. Piece Goods,—Grey, White, Plain and Twilled, exceeding 34 in. wide, and not exceeding 40 yds. long	per piece	0	0	8	0
Do. do. exceeding 34 in. wide, and exceeding 40 yds. long...	per every 10 yds.	0	0	2	0
Do. do. Drills and Jeans, not exceeding 30 in. wide, and not exceeding 40 yds. long...	per piece	0	1	0	
Do. do. not exceeding 30 in. wide, and not exceeding 30 yds. long	do.	0	0	7	
Do. do. T-Cloths, not exceeding 34 in. wide, and not exceeding 48 yds. long ...	do.	0	0	8	

		T.	m.	c.	c.
Cotton, Piece Goods not exceeding 34 in. wide, and not exceeding 24 yds. long	per piece	0	0	4	
Do. Dyed, Figured and Plain, not exceeding 36 in. wide, and not exceeding 40 yds. long	do.	0	1	5	0
Do. Fancy, White Brocades and White Spotted Shirtings, not exceeding 36 in. wide, and not exceeding 40 yds. long...	do.	0	1	0	0
Do. Printed, Chintzes and Furnitures, not exceeding 31 in. wide, and not exceeding 30 yds. long	do.	0	0	7	0
Do. Cambrics, not exceeding 46 in. wide, and not exceeding 24 yds. long...	do.	0	0	7	0
Do. do. not exceeding 46 in. wide, and not exceeding 12 yds. long...	do.	0	0	3	5
Do. Muslins, not exceeding 46 in. wide, and not exceeding 24 yds. long...	do.	0	0	7	5
Do. do. not exceeding 46 in. wide, and not exceeding 12 yds. long...	do.	0	0	3	5
Do. Damasks, not exceeding 36 in. wide, and not exceeding 40 yds. long	do.	0	2	0	0
Do. Dimities, or Quiltings, not exceeding 40 in. wide, and not exceeding 12 yds. long	do.	0	0	6	5
Do. Gingbams, not exceeding 28 in. wide, and not exceeding 30 yds. long ...	do.	0	0	3	5
Do. Handkerchiefs, not exceeding 1 yd. sq....	per dozen	0	0	2	5
Do. Fustians, not exceeding 35 yds. long ...	per piece	0	2	0	0
Do. Velveteens, not exceeding 34 yds. long...	do.	0	1	5	0
Do. Thread	per 100 catties	0	7	2	0
Do. Yarn	do.	0	7	0	0
Cow Bezoar, Indian	per catty	1	5	0	0
Cutch	per 100 catties	0	1	8	0
Elephants' Teeth, Whole	do.	4	0	0	0
Do. Broken	do.	3	0	0	0
Feathers, Kingfisher's, Peacock's	per hundred	0	4	0	0
Fishmaws	per 100 catties	1	0	0	0
Fish-skins	do.	0	2	0	0
Flints	do.	0	0	3	0
Gambier	do.	0	1	5	0
Gamboge	do.	1	0	0	0
Ginseng, American, Crude	do.	6	0	0	0
Do. Clarified	do.	8	0	0	0
Glass, Window	per box of 100 sq. ft.	0	1	5	0
Glue	per 100 catties	0	1	5	0
Gold Thread, Real	per catty	1	6	0	0
Do. Imitation	do.	0	0	3	0
Gum, Benjamin	per 100 catties	0	6	0	0
Do. do. Oil of	do.	0	6	0	0
Do. Dragon's Blood	do.	0	4	5	0
Do. Myrrh	do.	0	4	5	0
Do. Olibanum	do.	0	4	5	0
Hides, Buffalo and Cow	do.	0	5	0	0
Do. Rhinoceros	do.	0	4	2	0
Horns, Buffalo	do.	0	2	5	0
Do. Deer	do.	0	2	5	0
Do. Rhinoceros	do.	2	0	0	0
Indigo, Liquid	do.	0	1	8	0
Isinglass	do.	0	6	5	0
Lacquered Ware	do.	1	0	0	0
Leather	do.	0	4	2	0
Linen, fine, as Irish or Scotch, not exceeding 50 yds. long	per piece	0	5	0	0

		T.	m.	c.	e.
Linen, coarse, as Linen and Cotton, or Silk and Linen mixtures, and exceeding 50 yds. long	per piece	0	2	0	0
Lucraban Seed	per 100 catties	0	0	3	5
Mace	do.	1	0	0	0
Mangrove Bark	do.	0	0	3	0
Metals,—Copper, manufactured, as in Sheets, Rods, Nails	do.	1	5	0	0
Do. do. unmanufactured, as in Slabs...	do.	1	0	0	0
Do. do. Yellow Metal, Sheathing, and Nails	do.	0	9	0	0
Do. do. Japan	do.	0	6	0	0
Do. Iron, manufactured, as in Sheets, Rods, Bars, Hoops ...	do.	0	1	2	5
Do. do. unmanufactured, as in Pigs ...	do.	0	0	7	5
Do. do. Kentledge	do.	0	0	1	0
Do. do. Wire	do.	0	2	5	0
Do. Lead, in Pigs	do.	0	2	5	0
Do. do. in Sheets	do.	0	5	5	0
Do. Quicksilver	do.	2	0	0	0
Do. Spelter (saleable only under Regulation appended)	do.	0	2	5	0
Do. Steel	do.	0	2	5	0
Do. Tin	do.	1	2	5	0
Do. Tin Plates	do.	0	4	0	0
Mother-o'-Pearl Shell	do.	0	2	0	0
Musical Boxes	5 per cent.	*ad valorem*			
Mussels, Dried	per 100 catties	0	2	0	0
Nutmegs	do.	2	5	0	0
Olives, Unpickled, Salted, or Pickled	do.	0	1	8	0
Opium	do.	30	0	0	0
Pepper, Black	do.	0	3	6	0
Do. White	do.	0	5	0	0
Prawns, Dried	do.	0	3	6	0
Putchuck	do.	0	6	0	0
Rattans	do.	0	1	5	0
Rose Maloes	do.	1	0	0	0
Salt Fish	do.	0	1	8	0
Saltpetre (saleable only under Regulation appended)	do.	0	5	0	0
Sandalwood	do.	0	4	0	0
Sapanwood	do.	0	1	0	0
Seahorse Teeth	do.	2	0	0	0
Sharks' Fins, Black	do.	0	5	0	0
Do. do. White	do.	1	5	0	0
Do. Skins	per hundred	2	0	0	0
Silver Thread, Real	per catty	1	3	0	0
Do. Imitation	do.	0	0	3	0
Sinews, Buffalo and Deer	per 100 catties	0	5	5	0
Skins, Fox, large	each	0	1	5	0
Do. do. small	do.	0	0	7	5
Do. Marten.	do.	0	1	5	0
Do. Sea Otter	do.	1	5	0	0
Do. Tiger and Leopard	do.	0	1	5	0
Do. Beaver	per hundred	5	0	0	0
Do. Doe, Hare, and Rabit	do.	0	5	0	0
Do. Squirrel	do.	0	5	0	0
Do. Land Otter	do.	2	0	0	0
Do. Racoon	do.	2	0	0	0
Smalts	per 100 catties	1	5	0	0
Snuff, Foreign	do.	7	2	0	0
Sticlac	do.	0	3	0	0
Stockfish	do.	0	5	0	0

		T.	m.	c.	c.
Sulphur and Brimstone (saleable only under Regulation appended)	per 100 cattsie	0	2	0	0
Telescopes, Spy and Opera Glasses, Looking Glasses and Mirrors	5 per cent.	*ad valorem*			
Tigers' Bones	per 100 catties	1	5	5	0
Timber,—Masts and Spars, Hard-wood, not exceeding 40 ft.	each	4	0	0	0
Do. do. do. do. 60 ft.	do.	6	0	0	0
Do. do. do. exceeding 60 ft.	do.	10	0	0	0
Do. do. Soft-wood, not exceeding 40 ft.	do.	2	0	0	0
Do. do. do. do. 60 ft.	do.	4	5	0	0
Do. do. do. exceeding 60 ft.	do.	6	5	0	0
Do. Beams, Hard-wood, not exceeding 26 ft. long, and under 12 in. square ...	do.	0	1	5	0
Do. Planks, Hard-wood, not exceeding 24 ft. long, 12 in. wide, and 3 in. thick ...	per hundred	3	5	0	0
Do. Planks, Hard-wood, not exceeding 16 ft. long, 12 in. wide, and 3 in. thick ...	do.	2	0	0	0
Do. Planks, Soft-wood	per 1,000 sq. ft.	0	7	0	0
Do. do. Teak...	per cubic foot	0	0	3	5
Tinder	per 100 catties	0	3	5	0
Tortoise Shell	per catty	0	2	5	0
Do. Broken	do.	0	0	7	2
Umbrellas	each	0	0	3	5
Velvets, not exceeding 34 yds. long	per piece	0	1	8	0
Watches	per pair	1	0	0	0
Do. émaillées à perles	do.	4	5	0	0
Wax, Japan...	per 100 catties	0	6	5	0
Woods, Camagon	do.	0	0	3	0
Do. Ebony	do.	0	1	5	0
Do. Garrow	do.	2	0	0	0
Do. Fragrant	do.	0	4	5	0
Do. Kranjee, 35 ft. long, 1 ft. 8 in. wide, and 1 ft. thick	each	0	8	0	0
Do. Laka	per 100 catties	0	1	4	0
Do. Red...	do.	0	1	1	0
Woollen Manufactures, *viz.*: Blankets ...	per pair	0	2	0	0
Do. Broadcloth and Spanish Stripes, Habit and Medium Cloth, 51 a 64 in. wide ...	per chang	0	0	1	2
Do. Long Ells, 31 in. wide	do.	0	0	4	5
Do. Camlets, English, 31 in. wide	do.	0	0	5	0
Do. do. Dutch, 33 in. wide	do.	0	1	0	0
Do. do. Imitation and Bombazettes ...	do.	0	0	3	5
Do. Cassimeres, Flannel and Narrow Cloth...	do.	0	0	4	0
Do. Lastings, 31 in. wide...	do.	0	0	5	0
Do. do. Imitation and Orleans, 34 in. wide	do.	0	0	3	5
Do. Bunting, not exceeding 24 in. wide, 40 yds. long	per piece	0	2	0	0
Do. and Cotton Mixtures, *viz.*: Lustres, Plain and Brocaded, not exceeding 31 yds. long	do.	0	2	0	0
Do. Inferior Spanish Stripes	per chang	0	1	0	0
Do. Yarn	per 100 catties	3	0	0	0

II.—Tariff on Exports.

Alum	per 100 catties	0	0	4	0
Do. Green, or Copperas	do.	0	1	0	0
Aniseed, Star	do.	0	5	0	0
Do. Broken	do.	0	2	5	0
Do. Oil	do.	5	0	0	0
Apricot Seeds, or Almonds	do.	0	4	5	0
Arsenic	do.	0	4	5	0

		T.	m.	c.	c.
Artificial Flowers	per 100 catties	1	5	0	0
Bamboo Ware	do.	0	7	5	0
Bangles, or Glass Armlets	do.	0	5	0	0
Beans and Peas (except from Newchwang and Tangchow)	do.	0	0	6	0
Bean Cake (except from Newchwang and Tangchow)	do.	0	0	3	5
Bone and Horn Ware	do.	1	5	0	0
Brass Buttons	do.	3	0	0	0
Do. Foil	do.	1	5	0	0
Do. Ware	do.	1	0	0	0
Do. Wire	do.	1	1	5	0
Camphor	do.	0	7	5	0
Canes	per thousand	0	5	0	0
Cantharides	per 100 catties	2	0	0	0
Capoor Cutchery	do.	0	3	0	0
Carpets and Druggets	per hundred	3	5	0	0
Cassia Lignea	per 100 catties	0	6	0	0
Do. Buds	do.	0	8	0	0
Do. Twigs	do.	0	1	5	0
Do. Oil	do.	9	0	0	0
Castor Oil	do.	0	2	0	0
Chestnuts	do.	0	1	0	0
China Root	do.	0	1	3	0
Chinaware, Fine	do.	0	9	0	0
Do. Coarse	do.	0	4	5	0
Cinnabar	do.	0	7	5	0
Clothing, Cotton	do.	1	5	0	0
Do. Silk	do.	10	0	0	0
Coal	do.	0	0	4	0
Coir	do.	0	1	0	0
Copper Ore	do.	0	5	0	0
Do. Sheathing, Old	do.	0	5	0	0
Do. and Pewter Ware	do.	1	1	5	0
Corals, False	do.	0	3	5	0
Cotton, Raw	do.	0	3	5	5
Do. Rags	do.	0	0	4	0
Cow Bezoar	per catty	0	3	6	0
Crackers, Fireworks	per 100 catties	0	5	0	0
Cubebs	do.	1	5	0	0
Curiosities, Antiques	5 percent.	*ad valorem*			
Dates, Black	per 100 catties	0	1	5	0
Do. Red	do.	0	0	9	0
Dye, Green	per catty	0	8	0	0
Eggs, Preserved	per thousand	0	3	5	0
Fans, Feather	per hundred	0	7	5	0
Do. Paper	do.	0	0	4	5
Do. Palm Leaf, trimmed	per thousand	0	3	6	0
Do. do. untrimmed	do.	0	2	0	0
Felt Cuttings	per 100 catties	0	1	0	0
Do. Caps	per hundred	1	2	5	0
Fungus, or Agaric	per 100 catties	0	6	0	0
Galingal	do.	0	1	0	0
Garlic	do.	0	0	3	5
Ginseng, Native	5 per cent.	*ad valorem*			
Do. Corean or Japan, 1st quality	per catty	0	5	0	0
Do. do. 2nd do.	do.	0	3	5	0
Glass Beads	per 100 catties	0	5	0	0
Do. or Vitrified Ware	do.	0	5	0	0
Grasscloth, Fine	do.	2	5	0	0
Do. Coarse	do.	0	7	5	0
Ground-nuts	do.	0	1	0	0
Do. Cake	do.	0	0	8	0

		T.	m.	c.	c.
Gypsum, Ground, or Plaster of Paris	per 100 catties	0	0	3	0
Hair, Camel's	do.	1	0	0	0
Do. Goat's...	do.	0	1	8	0
Hams	do.	0	5	5	0
Hartall, or Orpiment...	do.	0	3	5	0
Hemp	do.	0	3	5	0
Honey	do.	0	9	0	0
Horns, Deer's, Young	per pair	0	9	0	0
Do. do. Old	per 100 catties	1	3	5	0
India Ink	do.	4	0	0	0
Indigo, Dry...	do.	1	0	0	0
Ivory Ware...	per catty	0	1	5	0
Joss-sticks	per 100 catties	0	2	0	0
Kittysols, or Paper Umbrellas	per hundred	0	5	0	0
Lacquered Ware	per 100 catties	1	0	0	0
Lamp-wicks	do.	0	6	0	0
Lead, Red (*Minium*)...	do.	0	3	5	0
Do. White (*Ceruse*)	do.	0	3	5	0
Do. Yellow (*Massicot*)	do.	0	3	5	0
Leather Articles, as Pouches, Purses	do.	1	5	0	0
Do. Green	do.	1	8	0	0
Lichees	do.	0	2	0	0
Lily Flowers, Dried	do.	0	2	7	0
Do. Seeds or Lotus Nuts	do.	0	5	0	0
Liquorice	do.	0	1	3	5
Lung-ngan	do.	0	2	5	0
Do. without the Stone	do.	0	3	5	0
Manure Cakes, or Poudrette	do.	0	0	9	0
Marble Slabs	do.	0	2	0	0
Mats of all kinds	per hundred	0	2	0	0
Matting	per roll of 40 yds.	0	2	0	0
Melon Seeds..	per 100 catties	0	1	0	0
Mother-o'-Pearl Ware	per catty	0	1	0	0
Mushrooms	per 100 catties	1	5	0	0
Musk	per catty	0	9	0	0
Nankeen and Native Cotton Cloths	per 100 catties	1	5	0	0
Nutgalls	do.	0	5	0	0
Oil, as Bean, Tea, Wood, Cotton and Hemp Seed.	do.	0	3	0	0
Oiled Paper	do.	0	4	5	0
Olive Seed	do.	0	3	0	0
Oyster-shell, Sea-shells	do.	0	0	9	0
Paint, Green	do.	0	4	5	0
Palampore, or Cotton Bedquilts	per hundred	2	7	5	0
Paper, 1st quality	per 100 catties	0	7	0	0
Do. 2nd do.	do.	0	4	0	0
Pearls, False	do.	2	0	0	0
Peel, Orange	do.	0	3	0	0
Do. Pumelo, 1st quality	do.	0	4	5	0
Do. do. 2nd do.	do.	0	1	5	0
Peppermint Leaf	do.	0	1	0	0
Do. Oil	do.	3	5	0	0
Pictures and Paintings	each	0	1	0	0
Do. on Pith or Rice Paper	per hundred	0	1	0	0
Pottery, Earthenware	per 100 catties	0	0	5	0
Preserves, Comfits, and Sweetmeats	do.	0	5	0	0
Rattans, Split	do.	0	2	5	0
Rattan Ware	do.	0	3	0	0
Rhubarb	do.	1	2	5	0
Rice or Paddy, Wheat, Millet and other Grains..	do.	0	1	0	0
Rugs of Hair or Skin...	each	0	0	9	0
Shamshoo	per 100 catties	0	1	5	0
Sandalwood Ware	per catty	0	1	0	0
Seaweed	per 100 catties	0	1	5	0

		T.	m.	c.	c.
Sesamum Seed	per 100 catties	0	1	3	5
Shoes and Boots, Leather or Satin	per pair	3	0	0	0
Do. Straw	do.	0	1	8	0
Silk, Raw and Thrown	per 100 catties	10	0	0	0
Do. Yellow, from Szechuen	do.	7	0	0	0
Do. Reeled from dupions	do.	5	0	0	0
Do. Wild Raw	do.	2	5	0	0
Do. Refuse	do.	1	0	0	0
Do. Cocoons	do.	8	0	0	0
Do. Floss, Canton	do.	4	3	0	0
Do. do. from other Provinces	do.	10	0	0	0
Do. Ribbons and Thread	do.	10	0	0	0
Do. Piece Goods,—Pongees, Shawls, Scarfs, Crape, Satin, Gauze, Velvet and Embroidered Goods	do.	12	0	0	0
Do. do. do. Szechuen and Shantung	do.	4	5	0	0
Do. Tassels	do.	10	0	0	0
Do. Caps	per hundred	0	9	0	0
Do. and Cotton Mixtures	per 100 catties	5	5	0	0
Silver and Gold Ware	do.	10	0	0	0
Snuff	do.	0	8	0	0
Soy	do.	0	4	0	0
Straw, Braid	do.	0	7	0	0
Sugar, Brown	do.	0	1	2	0
Do. White	do.	0	2	0	0
Do. Candy	do.	0	2	5	0
Tallow, Animal	do.	0	2	0	0
Do. Vegetable	do.	0	3	0	0
Tea	do.	2	5	0	0
Tin Foil	do.	1	2	5	0
Tobacco, Prepared	do.	0	4	5	0
Do. Leaf	do.	0	1	5	0
Tortoise-shell Ware	per catty	0	2	0	0
Trunks, Leather	per 100 catties	1	5	0	0
Turmeric	do.	0	1	0	0
Twine, Hemp, Canton	do.	0	1	5	0
Do. do. Soochow	do.	0	5	0	0
Turnips, Salted	do.	0	1	8	0
Varnish, or Crude Lacquer	do.	0	5	0	0
Vermicelli	do.	0	1	8	0
Vermilion	do.	2	5	0	0
Wax, White or Insect	do.	1	5	0	0
Wood, Piles, Poles, and Joists	each	0	0	3	0
Do. Ware	per 100 catties	1	1	5	0
Wool	do.	0	3	5	0

RULES.

RULE 1.—*Unenumerated Goods.*

Articles not enumerated in the list of exports, but enumerated in the list of imports, when exported, will pay the amount of duty set against them in the list of imports; and, similarly, articles not enumerated in the list of imports, but enumerated in the list of exports, when imported, will pay the amount of duty set against them in the list of exports.

Articles not enumerated in the list, nor in either list of duty-free goods, will pay an *ad valarem* duty of 5 per cent., calculated on their market value.

RULE 2.—*Duty-Free Goods.*

Gold and silver bullion, foreign coins, flour, Indian meal, sago,

biscuit, preserved meats and vegetables, cheese, butter, confectionery, foreign clothing, jewellery, plated-ware, perfumery, soap of all kinds, charcoal, fire-wood, candles (foreign), tobacco (foreign), cigars (foreign), wine, beer, spirits, household stores, ships' stores, personal baggage, stationery, carpeting, druggeting, cutlery, foreign medicines, and glass and crystal ware.

The above pay no import or export duty, but, if transported into the interior, will, with the exception of personal baggage, gold and silver bullion, and foreign coins, pay a transit-duty at the rate of 2½ per cent. *ad valorem*.

A freight or part freight of duty-free commodities (personal baggage, gold and silver bullion, and foreign coins excepted) will render the vessel carrying them, though no other cargo be on board, liable to tonnage-dues.

RULE 3.—*Contraband Goods.*

Import and export trade is alike prohibited in the following articles: gunpowder, shot, cannon, fowling pieces, rifles, muskets, pistols, and all other munitions and implements of war; and salt.

RULE 4.—*Weights and Measures.*

In the calculations of the Tariff, the weight of a picul of one hundred catties is held to be equal to one hundred and thirty-three and one-third pounds avoirdupois; and the length of a chang of ten Chinese feet, to be equal to one hundred and forty-one English inches.

One Chinese chih is held to equal fourteen and one-tenth inches English; and four yards English, less three inches, to equal one chang.

RULE 5.—*Regarding certain Commodities heretofore Contraband.*

The restrictions affecting trade in opium, cash, grain, pulse, sulphur, brimstone, saltpetre, and spelter, are relaxed under the following conditions:—

1. Opium will henceforth pay thirty taels per picul import duty. The importer will sell it only at the port. It will be carried into the interior by Chinese only, and only as Chinese property; the foreign trader will not be allowed to accompany it. The provisions of Article IX. of the Treaty of Tientsin, by which British subjects are authorized to proceed into the interior with passports to trade, will not extend to it, nor will those of Articles XXVIII. of the same Treaty, by which the transit-dues are regulated; the transit-dues on it will be arranged as the Chinese Government see fit; nor, in future revisions of the Tariff, is the same rule of revision to be applied to opium as to other goods.

2. *Copper Cash.*—The export of cash to any foreign port is prohibited; but it shall be lawful for British subjects to ship it at one of the open ports of China to another, on compliance with the following Regulation: The shippers shall give notice of the amount of cash he desires to ship, and the port of its destination, and shall bind himself, either by a bond with two sufficient sureties, or by depositing such other security as may be deemed by the Customs satisfactory, to return, within six months from the date of clearance

to the collector at the port of shipment, the certificate issued by him, with an acknowledgment thereon of the receipt of the cash at the port of destination, by the collector at that port, who shall thereto affix his seal; or, failing the production of the certificate, to forfeit a sum equal in value to the cash shipped. Cash will pay no duty inwards or outwards; but a freight or part freight of cash, though no other cargo be on board, will render the vessel carrying it liable to pay tonnage-dues.

3. The export of rice, and all other grain whatsoever, native or foreign, no matter where grown or whence imported, to any foreign port, is prohibited; but these commodities may be carried by British merchants from one of the open ports of China to another, under the same conditions in respect of security, as cash, on payment at the port of shipment of the duty specified in the Tariff.

No import duty will be leviable on rice or grain; but a freight or part freight of rice or grain, though no other cargo be on board, will render the vessel importing it liable to tonnage-dues.

4. *Pulse.*—The export of pulse and bean cake from Tang-chau and Newchwang under the British flag is prohibited. From any other of the open ports they may be shipped, on payment of the tariff duty, either to other ports of China, or to foreign countries.

5. Saltpetre, sulphur, brimstone, and spelter, being munitions of war, shall not be imported by British subjects, save at the requisition of the Chinese Government, or for sale to Chinese duly authorized to purchase them. No permit to land them will be issued until the Customs have proof that the necessary authority has been given to the purchaser. It shall not be lawful for British subjects to carry these commodities up the Yang-tsze-kiang, or into any port other than those open to the seaboard, nor to accompany them into the interior on behalf of Chinese. They must be sold at the ports only, and, except at the ports, they will be regarded as Chinese property.

Infractions of the conditions as above set forth, under which trade in opium, cash, grain, pulse, saltpetre, brimstone, sulphur, and spelter may be henceforward carried on, will be punishable by confiscation of all the goods concerned.

RULE 6.—*Liability of Vessels entering Port.*

To the prevention of misunderstanding, it is agreed that the term of twenty-four hours, within which British vessels must be reported to the Consul under Article XXXVII. of the Treaty of Tientsin shall be understood to commence from the time a British vessel comes within the limits of the port; as, also, the term of forty-eight hours allowed her by Article XXX. of the same Treaty to remain in port without payment of tonnage-dues.

The limits of the ports shall be defined by the Customs, with all consideration for the convenience of trade, compatible with due protection of the revenue; also the limits of the anchorages within which lading and discharging is permitted by the Customs; and the same shall be notified to the Consuls for public information.

RULE 7.—*Transit-dues.*

It is agreed that Article XXVIII of the Treaty of Tientsin shall be interpreted to declare the amounts of transit-dues legally

leviable upon merchandise imported or exported by British subjects, to be one-half of the tariff-duties, except in the case of the duty-free goods liable to a transit-duty of 2½ per cent. *ad valorem*, as provided in Article II. of these Rules. Merchandise shall be cleared of its transit-dues under the following conditions:

In the case of Imports.—Notice being given at the port of entry from which the imports are to be forwarded inland, of the nature and quantity of the goods; the ship from which they have been landed; and the place inland to which they are bound, with all other necessary particulars; the Collector of Customs will, on due inspection made, and on receipt of the transit-duty due, issue a transit-duty certificate. This must be produced at every barrier station, and *viséd*. No further duty will be leviable upon imports so certificated, no matter how distant the place of their destination.

In the case of Exports.—Produce purchased by a British subject in the interior will be inspected, and taken account of at the first barrier it passes on its way to the port of shipment. A memorandum, showing the amount of the produce, and the port at which it is to be shipped, will be deposited there by the person in charge of the produce; he will then receive a certificate, which must be exhibited and *viséd* at every barrier, on his way to the port of shipment. On the arrival of the produce at the barrier nearest the port, notice must be given to the Customs at the port, and, the transit-dues due thereon being paid, it will be passed. On exportation, the produce will pay the tariff duty.

Any attempt to pass goods inwards or outwards, otherwise than in compliance with the rule here laid down, will render them liable to confiscation.

Unauthorised sale, *in transitu*, of goods that have been entered as above for a port, will render them liable to confiscation. Any attempt to pass goods in excess of the quantity specified in the certificate, will render all the goods of the same denomination named in the certificate, liable to confiscation. Permission to export produce which cannot be proved to have paid its transit-dues, will be refused by the Customs, until the transit-dues shall have been paid. The above being the arrangement agreed to regarding the transit-dues, which will thus be levied once and for all, the notification required under Article XXVIII. of the Treaty of Tientsin, for the information of British and Chinese subjects, is hereby dispensed with.

RULE 8.—*Foreign Trade under Passport.*

It is agreed that Article IX. of the Treaty of Tientsin shall not be interpreted as authorizing British subjects to enter the capital city of Peking for purposes of trade.

RULE 9.—*Abolition of the Meltage Fee.*

It is agreed that the percentage of one tael two mace, hitherto charged in excess of duty payments, to defray the expenses of melting by the Chinese Government, shall be no longer levied on British subjects.

RULE 10.—*Collection of Duties under one System at all Ports.*

It being, by Treaty, at the option of the Chinese Government to

adopt what means appear to it best suited to protect its revenue accruing on British trade, it is agreed that one uniform system shall be enforced at every port.

The high officer appointed by the Chinese Government to superintend foreign trade will, accordingly, from time to time, either himself visit, or will send a deputy to visit, the different ports. The said high officer will be at liberty, of his own choice, and independently of the suggestion or nomination of any British authority, to select any British subject he may see fit to aid him in the administration of the Customs revenue; in the prevention of smuggling; in the definition of port boundaries; or in discharging the duties of harbour-master; also in the distribution of lights, buoys, beacons, and the like, the maintenance of which shall be provided for out of the tonnage-dues.

The Chinese Government will adopt what measures it shall find requisite to prevent smuggling upon the Yang-tze-kiang, when that river shall be opened to trade.

(L. S.) ELGIN AND KINCARDINE.

Seal of Chinese Plenipotentiaries.	Signature of the Five Chinese Plenipotentiaries.

No. 187 of 1878.

CHAMBER OF COMMERCE, BOMBAY, 26*th August* 1878.

The CHIEF SECRETARY to GOVERNMENT.

SIR,—I am directed by the Committee of the Chamber of Commerce to acknowledge the receipt of your letter No. 4157, of the 16th instant, forwarding copy of a letter from the Government of India, No. 432, dated 9th instant, with accompaniments, and requesting that Government may be favoured with any suggestions and views that the Chamber may have to offer on the points referred to in para. 1 of the Government of India's letter.

In reply, I am desired to say that, in the opinion of the Chamber, the time has now come for opium to be placed on the same footing as all other ordinary imports into China. It is cultivated to so great an extent in the country that there is no reason why any more restriction should be placed on this article than on piece goods or any other article of commerce after it has once paid the import duty.

The Chamber begs therefore respectfully to recommend that Government should ask that opium be now declared an ordinary article of commerce, on which all dues shall

be defined, instead of being left to the discretion of the Chinese Government, and that the prohibition by which it is not allowed to be taken into the interior as the property of British or other foreign traders, be now removed.

I am further directed to state for the information of Government, that these are the views which are held also by merchants in Bombay interested in the opium trade.—I have, &c.,

J. GORDON, Secretary.

APPENDIX T*A*.

COMMERCIAL TARIFF FOR MOZAMBIQUE.

No. 37 of 1878.

REVENUE DEPARTMENT,
BOMBAY CASTLE, *3rd January* 1878.

From the Hon'ble E. W. RAVENSCROFT, C. S. I., Chief Secretary to the Government of Bombay, to the SECRETARY, BOMBAY CHAMBER of COMMERCE, Bombay,

SIR,—I am directed, at the instance of the Government of India, to forward for the information of the Chamber of Commerce, the accompanying copy of a despatch with enclosures, from Her Majesty's Secretary of State for India, relative to a new Commercial Tariff for Mozambique.—I have, &c.,

No. 147, dated 18th Oct. 1877.

D. MACKENZIE,
For Chief Secretary to Government.

No. 147.

INDIA OFFICE,
LONDON, *18th October* 1877.

To His Excellency the Right Hon. the GOVERNOR GENERAL of INDIA in COUNCIL.

MY LORD,—I have to inform your Excellency that papers have been communicated to me by the Foreign Office relative to a new Commercial Tariff for Mozambique, and that, in reply to an inquiry by the Earl of Derby, I have expressed to his Lordship my opinion that the publication of the tariff is desirable. Meanwhile I forward, for your information, a copy of the schedules of the revised import and export duties.

2. I take this opportunity of requesting that in the annual trade statements issued under the orders of your Government the trade with Mozambique and that with Zanzibar, which are at present included under the general heading of "Eastern Coast of Africa," may be separately shown.—I have, &c.,

SALISBURY.

MOZAMBIQUE TARIFF.

Enclosures of Statistics and Commerce Despatch to India, No. 147, dated 18th October 1877.

(Copy of Schedules forwarded in Mr. Gould's Despatch to the Earl of Derby, No. 58, Slave Trade, dated Lisbon, 18th August 1877.)

SCHEDULE A.

IMPORT DUTIES IN THE CUSTOM HOUSES IN THE PROVINCE OF MOZAMBIQUE.

Numbers of Articles.	Name of Merchandise.	Unit.	Duty.	
			Reis.	Sterling.
1	Sugar in any condition	kilogramme.	30	1·60*d.*
2	Olive Oil	litre.	20	1·06*d.*
3	Distilled Beverages, whether sweetened or not, in any condition, of any kind, and in any kind of casks	,,	90	4·80*d.*
4	Fermented Beverages, of any kind (wine excepted), in any condition, and in any kind of casks	,,	20	1.06*d.*
5	Wine in casks, bottles, or demijohns	,,	40	2·13*d.*
6	Tea	kilogramme.	150	8*d.*
7	Beads of any kind, glass trinkets (missangas); beads made of glass or of any other materials; glass wares (avellorio), false coral (mungaz), &c.	,,	50	2·66*d.*
8	Ships, either new or seaworthy, transferred to the national flag	*ad valorem.*	5 per cent.	
9	Ships, condemned as unseaworthy, for breaking up, sold entire or in separate lots, excepting provisions and surplus stores	,,	4 per cent.	
10	Ships, condemned as unseaworthy and for breaking up, that may be re-built and transferred to the national flag, irrespective of the cost of re-building or repairing the same	,,	3 per cent.	
11	Hoes, not for agricultural use, called Kaffir Hoes (Cafreaes, landinas on de Beja)	each	60	3·20*d.*
12	Guns, Gun-barrels, and Revolvers	,,	1,500	6s. 8d.
13	Butter from Europe or India	kilogramme.	80	4·26*d.*
14	Molasses	litre.	90	4·80*d.*
15	METALS :—			
	Raw, excepting iron	kilogramme.	5	0·26*d.*
	Wrought, including small shot, and any tubes not made of iron, and excepting the articles of merchandise mentioned in the 11th, 12th, and 16th Articles	*ad valorem.*	6 per cent.	
16	Pistols and Barrels of Pistols	each	500	2s. 2·66*d.*
17	Gunpowder	kilogramme.	100	5·33*d.*
18	Tobacco, non-manipulated	,,	200	10·66*d.*
19	Ditto. manipulated into cigars	,,	600	2s. 8*d.*
20	Ditto. manipulated in any other form	,,	400	1s. 9·33*d.*

IMPORT DUTIES, &c.—*continued.*

Numbers of Articles.	Name of Merchandise.	Unit.	Duty. Reis.	Duty. Sterling.
21	Cotton Textures, closely woven, plain, serged, or twisted, including "cotim" and the same textures wrought up :— Grey, white, including handkerchiefs	kilogramme.	90	4·80d.
22	Ditto, ditto, ditto :— Printed, dyed in the piece or in the thread, including handkerchiefs ...	,,	160	8·53d.
23	Cotton Textures, open or transparent, such as muslin, lace, "tules," and "filos;" hairy cotton goods such as baizes and blankets; velvet cottons; plush; quilting; any others not specified in the above mentioned articles, as well as the said textures wrought up.....	*ad valorem.*	10 per cent.	
24	Woollen, Linen, Silk, or any other kind of Textures, or mixed with cotton whatever may be the predominant texture, as well as the said textures wrought up	,,	10 per cent.	
25	All other Merchandise not mentioned in this schedule	free of duty.		

I have, &c.,

JOZE' DE MELLO GOUVEIA.

Marine and Colonial Department, Lisbon, 30th July 1877.

SCHEDULE B.

EXPORT DUTIES.

Name of Merchandise.	Unit.	Duty.
Earth Nuts (amendoim), Sesamum (gergelim) and other oily Seeds	*ad valorem.*	1 per cent.
Orchilla Weed (Urzella).....	,,	1 ,,
Gum	,,	2 ,,
Hides and Skins	,,	2 ,,
Guttapercha, Caoutchouc, or India-rubber	,,	4 ,,
Wax	,,	4 ,,
Cowry (cauril)	,,	4 ,,
Ivory (marfim)	,,	6 ,,
All other kinds of Merchandise not mentioned in this schedule	free of duty.	

I have, &c.,

JOZE' DE MELLO GOUVEIA.

Marine and Colonial Department, Lisbon, 30th July 1877.

SCHEDULE C.

LIST OF FEES LEVIED IN THE MOZAMBIQUE CUSTOM HOUSES.

		Ries	s.	d.
1.	For the Custom House clearance of any trading or coasting ship from the entrance until the departure of the fiscal officers, exclusive of any act mentioned in the following articles (Note A.)	1,200	— 5	4
2.	Surety bonds	200	— 0	10
3.	Cancelling any deeds	100	— 0	5
4.	Daily fees to each of the Customs' officers on wreck service at the bar (Note B.)	1,000	— 4	5
5.	Ditto ditto on the coast (Note C.)	2,000	— 8	10
6.	Daily fees to the Customs' guards on wreck service at the bar (Note B.)	300	— 1	4
7.	Ditto ditto on the coast (Note C.)	600	— 2	8
8.	Surveys or any other service out of the ordinary Custom House hours, *i.e.*, before 9 a.m. or after 3 p.m., or on holidays, whenever the parties interested shall apply for such service, and provided such service is performed out of the Custom Houses or of the Customs' stores (Note B.)	1,000	— 4	5
9.	Searching any records in the Custom House books or among other records, if dated more than a year previous to the time of search, and provided the respective parties do not state the month	500	— 2	2
10.	Certificate extracted from any books which have been closed as far as two pages	300	— 1	4
11.	Ditto ditto for each page beyond the second	100	— 0	5
12.	Certified copies of any clearance tickets, passes, or of any other sundry documents, per each document	200	— 0	10
13.	Certified copies of any documents written in a foreign language	400	— 1	9
14.	Fees to be paid in to the Customs' guards coffers for each vessel carrying a guard who is accompanying merchandise that is re-exported, or cleared in transit, provided such merchandise is liable to duty (Note C.)	250	— 1	1
15.	Customs' guards' service on board ship per diem (Note C.)	400	— 1	9
16.	Surveys held on board in order to ascertain the unseaworthiness of any ship in accordance with the decree of the 11th of August 1852	4,500	—	£1

17. Fees to be levied on proceedings instituted on account of

any seizures, or of any infraction of the fiscal regulations and on auctions. The fees, as specified in the schedule of fees of the judicial tribunals, which may be in force in the province, as far as they may be applicable. For this purpose the Director of the Custom House is placed on the same footing as the Judge, the Custom House scrivener as the judicial officer of the same name, the public crier, and the Custom's guards who serve the legal notices as the judicial officers, but the total amount shall be put into the coffers either of the internal or of the external officials, according as the case may be.

NOTES.

A. No fees are to be recovered from any vessels which do not effect any commercial operation.

B. These items do not form part of the revenue derived from fees, which is placed in the coffer set apart for the purpose, but are received in full by the Customs' officials who perform the service.

C. These items form part of the revenue which is placed in the coffers of the guards of the respective Custom House, and are only received on account of the stay of the Customs' guards on board ship in the following cases:—

1. After 10 days shall have elapsed since the date of the arrival of the ship.
2. Whenever the Customs' guards shall be acting as health guards on board ships in quarantine.
3. Whenever any provisions or extra stores are kept on board after the vessel is unloaded, and at the request of the respective parties.
4. Whenever a vessel having on board the whole or part of the cargo is being repaired.
5. Whenever leave is applied for to load and unload at the same time.
6. Whenever a ship shall load, unload, or trans-ship cargo, or be placed under "franquia," that is, be granted permission to retain cargo on board for other ports *outside* the usual anchorage where ships under the Custom House supervision are in the habit to anchor.

   Should there not be a sufficient number of Customs' guards, application is to be made to the proper military authority for a number of soldiers who, in addition to their pay, will receive an allowance of 200 reis (10*d.*) per diem, to be paid by the Treasury, provided it is not one of the cases mentioned in the six foregoing numbers, and out of the Customs' guards coffer, should the contrary be the case; but the difference between the 200 reis (10*d.*) and the 400 reis (1*s.* 9*d.*) paid by the ship is to be placed in the said coffer.

JOZÉ DE MELLO GOUVEIA.

Marine and Colonial Department, Lisbon, 30th July 1877.

SCHEDULE D.

SCHEDULE FOR THE ALLOWANCE OF TARE TO BE MADE FROM THE GROSS WEIGHT OF MERCHANDISE SUBJECT TO SPECIFIC RATES OF DUTY.

Merchandise.	Nature of Parcels.	Tare Reis.
Sugar	Barrels, Casks, and cases	10 per cent.
	Baskets and hampers	6 ,,
	Sacks	2 ,,
Tea	Single chests	30 ,,
	Double chests	40 ,,
	Enclosed in cases	2 ,, additional
Liquids (Note A.)	Molasses	10 per cent.
	Not specified	18 ,,
Butter	Barrels or firkins	20 ,,
	Jars or jugs	30 ,,
Textures	Bales with hoops	3 ,,
	Bales without hoops	2 ,,
Any other merchandise when not weighed out of the tares	Barrels, casks, cases, and leather sacks.	2 ,,
	Panniers, hampers, large baskets, baskets, small barrels, tin cases, small panniers, round baskets, baskets (cabazes), and wooden grates.	6 ,,
	Parcels that are cased or covered with oil-skin cloth, besides the respective tare, an additional allowance of	2 ,,
	Vases of earthenware	25 ,,
	Bottles of glass	10 ,,

NOTE A.

The tares of liquids are mentioned, although these articles do not pay duty by weight, because it is by weight that a more correct estimate can be formed of the quantity of liquid contained in the different casks, for which purpose the following process ought to be adopted :—Let the cask be weighed, deduct the respective tare, the remainder (in kilogrammes) must be divided by the number of grammes which is equal to a litre of wine, brandy, or of any other liquid, as the case may be, and the quotient will give the number of litres contained in the cask. In order to know the proper weight of the litre, there must be a duly gauged measure, with the allowance for tare marked thereon.

JOZÉ DE MELLO GOUVEIA.

Marine and Colonial Department, Lisbon, 30th July 1877.

No. 2569 OF 1878.

REVENUE DEPARTMENT,

BOMBAY CASTLE, 20*th May* 1878.

To the SECRETARY, BOMBAY CHAMBER of COMMERCE, Bombay.

SIR,—In continuation of my letter No. 37, dated 3rd January 1878, I am directed, at the instance of the Government of India, to

forward for the information of the Chamber of Commerce certain additional notes attached to the Mozambique Tariff received from Her Majesty's Secretary of State for India.—I have, &c.,

D. MACKENZIE,
Under Secretary to Government.

ADDITIONAL NOTES ATTACHED TO THE MOZAMBIQUE TARIFF.

Coasting Trade (Section 3.)

Article 11.—The ports of Cape Delgado, Mozambique, Angoche, Quelimane, Sofala, Inhambane, and Lorenzo Marques, are hereby thrown open to national and foreign trade. In these Custom-houses there shall be depots for merchandize; and the coasting trade may be carried on between the said ports both by national and foreign vessels; moreover, merchandize subject to duty may be conveyed between these ports; such duty to be paid at the Custom-house through which it may be cleared.

§ The conveyance of merchandize between the said ports is, for all the intents of this Article, to be free from any tax or bond; but, in accordance with the 69th Article,* a Custom-house pass must be taken.

Article 12.—The Directors of the said Custom-houses shall accord permission to any national or foreign ships either to convey cargo, which may have already become nationalized by the payment of the Excise (octroi) duties, to the ports of Pemba, Fernao Vellozo, Sangage Luzio, Queringo, Luabo, the mouth of the river Douro or Bembe, or to any other ports, bays, or inlets on the coast of Mozambique, or else to ship there any articles produced in the province, under the following conditions:—

(1). That the vessel shall have been duly visited by the Custom-house after unloading.

(2). That the master present a person upon whom the Custom-house can place confidence as surety.

(3). That both the master and his surety engage that the vessel shall return to the Custom-house which may have granted such permission, or else that she will proceed to some other Custom-house in the province in order to legalize the shipment of the cargo she may have received at any of the ports where there are no Custom-houses.

§ Should the Director of the Custom-house refuse the permission above referred to, an appeal may be made to the Governor of the district, who will decide the matter under his own responsibility, but will immediately report the case to the Governor-General.

Transit Duties (Section 11.)

Article 69.—The transit of merchandize liable to duty from one Custom-house, where it may have been bonded, to another where it is to be cleared, and the duties thereon paid, shall be allowed in accordance with the option referred to in the 11th Article,† pro-

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* *Vide* Article 69, *infra*.

† *Vide* Article 11, *supra*.

vided the necessary declarations, signed by a duly qualified person, are sent in, upon receipt of which the Custom-house shall hand the respective party a pass (with two counterfoils) specifying the marks, numbers, and the quality of the merchandize, as well as the weight; but the sealing or stamping of the several parcels is dispensed with. One of the two counterfoils above referred to shall be sent back by the Custom-house to which the merchandize is bound to that from which it was despatched, and the same shall be attached to a third counterfoil which shall have been kept in the Custom-house whence the merchandize was sent.

Article 70.—The transit of merchandize arriving from any place out of the province for the purpose of being conveyed, overland or by river, to any of the foreign countries by which the Portuguese territory is bounded on the north and on the south, as well as to the regions which are situated beyond the point of confluence of the rivers Shire and Zambesi, shall be allowed through the Custom-houses mentioned in the 11th Article, upon payment of the sole duty of 3 per cent. *ad valorem*.

The reduction of duty mentioned in the 41st Article* of Section II. is applicable to any merchandize cleared in transit.

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* *Article* 41.—Goods and merchandize from foreign ports shall pay the duty fixed in Schedule (A); those, however, which are produced or manufactured either in the continental part of the kingdom, or in the adjacent islands, or else nationalized therein by the payment of the excise or "octroi" duties, shall only pay 50 per cent. of the duty specified in the said Schedule (A), as well as all Colonial goods arriving from the transmarine possessions of Portugal.

APPENDIX U.

COMPLAINTS OF THE MANAGEMENT OF THE CUSTOM HOUSE.

CHAMBER OF COMMERCE, BOMBAY, *21st September* 1878.

The CHIEF SECRETARY to GOVERNMENT, BOMBAY.

SIR,—I am directed by the Committee of the Chamber of Commerce to bring to the notice of His Excellency the Governor in Council that numerous complaints have for some time past been made to the Chamber of the increasing and irritating obstructions to trade which are now being experienced by the mercantile community from the manner in which the work of the Custom House is conducted.

In the address which the Chamber presented to His Excellency the Viceroy on the occasion of his visit to Bombay, in December 1876, the Chamber brought to His Excellency's notice the obstructions to trade which had at that time resulted from the constant changes of the superior officers of the Custom House; and it represented that the higher offices of Customs should be permanent appointments, that the gentlemen holding them should not be changed for the convenience of the service to which they belonged, and that this system of making the appointments permanent had been adopted in Calcutta, with results which had been most satisfactory. His Lordship, in reply, said that the inconvenience complained of had, he believed, been fully recognised by His Excellency the Governor, who had already taken measures for the mitigation of it, and that the Government of India would gladly co-operate in remedying the inconveniences to which the Chamber referred. The Chamber's address and Lord Lytton's reply will be found in the Annual Report of the Chamber for 1876-77, appendix C. pages 148 to 163.

During Mr. Lestock Reid's administration of the Custom House, his unvarying courtesy, and his anxiety to redress whatever grievances were brought to his notice, tended in some measure to diminish the causes of complaint. As had always been the practice with his predecessors in office,

Mr. Reid was in daily attendance at the Custom House, where the presence of the Commissioner is necessary not only to exercise a proper control over the various branches of the department, but to decide the numerous points which, not being provided for in the Act, are necessarily left to his judgment. When Mr. Reid, however, left the Custom House, Mr. Pritchard was, in addition to his substantive appointment of Collector of Salt Revenue, appointed Acting Commissioner of Customs, Abkari, and Opium, and Reporter General of External Commerce. The Committee believe that they are expressing the sentiments of the mercantile community when they say that no fitter person than Mr. Pritchard could be found to take charge of either of these important departments of the public revenue, but, whether the union of these offices under one head is intended to be a permanent or a temporary arrangement, the Committee must in either case protest against it, for it has already resulted in great inconvenience to the mercantile community. It seems to them that it is impossible for any person, no matter what his energy and abilities may be, to administer the Customs Department with proper efficiency if he has also other onerous duties to attend to. During Mr. Pritchard's temporary deputation to Simla, Mr. Pedder has been appointed Acting Commissioner of Customs, Abkari, and Opium, and Reporter General of External Commerce, but, in addition to the duties of this appointment, he is to continue to perform his special duties in connection with the License Tax. The Committee have nothing to urge against Mr. Pedder personally, but the same objection which is entertained to Mr. Pritchard holding the appointment of Collector of Salt Revenue along with that of Commissioner of Customs, applies also to Mr. Pedder, who in addition to the duties of this important office, is required to perform his special duties in connection with the License Tax. If Mr. Pedder had been appointed Acting Commissioner of Customs, Abkari, and Opium, and Reporter General of External Commerce only, and if the appointment had been permanent, it would have been received by the mercantile community with general satisfaction; but the Committee desire to bring prominently to His Excellency's notice that the Custom House of this Port, which requires the constant presence of an officer of great experience and ability, cannot be efficiently conducted from an office in Poonah, or by gentlemen who have but a temporary interest in the depart-

ment, and that it is a grievous hardship that the mercantile community should be subjected to the multiplied incoveniences arising from this plan of conducting the Custom House, and from these constant changes, and from the diminished consideration which this important department appears now to be receiving.

Mr. Pritchard was appointed acting Commissioner of Customs on the 29th March last, and the Committee regret to say that, although the duties of this office necessarily require the attendance of the Commissioner daily at the Custom House, he has during the greater part of the time he has held the office been absent from Bombay. Mr. Pedder has apparently adopted the same practice, and, from an office in Poonah, is nominally conducting the Custom House of the Port of Bombay. The Customs department has consequently been left to the charge of the Deputy Commissioner Mr. Trevor, who, although a conscientious and hard working official, does not appear to the Chamber to be adapted for the work of the Custom House, and to Mr. Coghlan, who professes to represent the acting Commissioner, but who does not possess the experience requisite for the office.

The result of this state of things is that an illiberal and antagonistic spirit, and an unwillingness to exercise any discretionary power, are now the prevailing characteristics in the conduct of the Custom House; and the Committee believe that it is principally attributable to the mistaken and determined disinclination of the Deputy Commissioner to *use any discretion* and to his deciding every individual case which arises strictly according to the *letter* of the Act, that the spirit of liberality in which the Act was lately amended by Government has failed to benefit the merchants as it was intended to do.

In connection with the above, the Committee would call attention to the signature of R. N. Coghlan for Acting Commissioner of Customs, Opium, and Abkari to a letter quoted further on, as they are not aware of any official notification of Government of his appointment to the charge of this office,—by the assumption of which he takes the position of Commissioner of Customs, thereby virtually superseding the Deputy Commissioner Mr. Trevor, and the Assistant Commissioners. The Committee cannot forget that it is but a little more than four years since Mr. Coghlan

was head Clerk of the Bonded Warehouse, from which point, without the slightest experience of the Customs Department, he virtually assumes the head of it. We have, therefore, Mr. Lestock Reid, as Commissioner of Customs, Mr. Pritchard acting for Mr. Reid *but residiny at Simla*, Mr. Pedder acting for Mr. Pritchard *but residing at Poona*, Mr. Trevor the Deputy Commissioner *on leave in Europe*, (this gentleman having gone home a few weeks ago,) and the only person in Bombay apparently able to sign an official document for the head of one of the most important departments of Government, Mr. Coghlan, a gentleman without any official position or experience in the department.

The Customs Act, as now amended, leaves little room for complaint, and yet it is generally felt that in spite of its wider and more liberal enactments, no corresponding liberality has been shewn in its interpretation at the Bombay Custom House, and the old grievances, certainly the most irritating ones, remain unredressed.

It could never have been the intention of Government that such a course should be pursued, for it is self-evident that no Act, however perfect, could be framed so as to embrace all the multiplicity of questions of every shade that must of necessity present themselves daily at the Custom House, and nothing short of a fair but discreet application of the *spirit* of the Act, rather than its *letter*, can effectually remove the grievances of which complaints are so general.

The Committee believe that the Government of India, in passing the Sea Customs Act, 1878, had a twofold object in view, (1) that its legitimate revenue from Customs should be fairly and fully collected, and (2) with the least possible obstruction to trade, but the Committee regret that while the latter object appears to be lost sight of altogether, the former is unduly strained, as the following instances, out of many, will shew.—

1. In discharging cargo from the S. S. "Pekin," in July last, a cask of hard-ware was accidentally lost overboard, and its value was duly paid for by the P. and O. Company. The consignee (a native) had unfortunately paid the Duty previous to the accident, and failing to get a refund, applied to the Superintendent of that Company for assistance. The Superintendent also was refused by the Deputy Commissioner, and on his appealing to the

Commissioner, his decision was up-held in the letter, of which the following is a copy.

BOMBAY, 12*th August* 1878.

From the ACTING COMMISSIONER of CUSTOMS, OPIUM, and ABKARI, to, the SUPERINTENDENT P. & O. S. N. COMPANY.

SIR,—In reply to your letter dated 3rd instant, I have the honor to inform you that it is not the practice of the Bombay Custom House to allow refund in cases such as that under notice, and that I agree with the Deputy Commissioner in considering that your claim to refund cannot be recognised under the existing Custom laws, for the reasons stated in his No. 1630, dated the 25th ultimo, to the address of Messrs. Heptoola Shaik Adam & Co.—I have, &c.

R. N. COGHLAN,
For Acting Comr. of Customs, Opium, & Abkari.

Such equitable refunds have hitherto been made without demur; and it is difficult to conceive on what grounds the Commissioner can claim duty on a package never imported. In Section 122 of the Act, the power to refund is specially given in the case of loss of Warehoused Goods; why not then in this case? Section 40 also distinctly implies the ability to make such a refund. Altogether the levying of the Duty was as discreditable to the Custom House as it was unjust, and such action in a private individual or a firm would not be tolerated for a moment.

2. The following case was, after much correspondence and loss of time, allowed on appeal, by Mr. Pritchard at Poona; but it will still serve to illustrate the obstruction to trade of which complaints are made. A shipment of 10 crates of stone-ware, landed from the "Thibet," was warehoused, but through some mistake at the London Office of the P. & O. Company, the information did not reach the Superintendent in Bombay till later that there was a sum of Rupees 173-8-0 due on it for freight. In the meantime, the goods having been unclaimed, were sold at Auction, and the Superintendent applied for his freight out of the proceeds, in accordance with the provisions of the Act; but, on the plea that he had omitted to report his lien for freight at the time of warehousing, as provided in the Act, his claim was disallowed by the Deputy Commissioner, and only admitted after a great deal of correspondence, by the Commissioner. These are both cases, the Committee submit,

which should have been dealt with *at once* by the Deputy Commissioner.

3. A few weeks ago, Messrs. David Sassoon & Co., represented to the Deputy Commissioner of Customs the unnecessary inconvenience and risk to which they were exposed in consequence of all their packages of specie being opened for examination in the Custom House, and they pointed out that as they were in receipt of gold by every steamer from China the customs authorities might have sufficient confidence in them to allow the packages to pass unopened. They were however informed in reply that "it is the rule of the Department to pass Treasure "imported by Banks and Public Companies only with-"out examination." No reason whatever was given as to why Messrs. David Sassoon & Co.'s specie should not be placed in the same category, but they knew from experience in other cases that it would be merely waste of time to continue the discussion, and they were therefore obliged to let the matter drop.

4. Messrs. Volkart Brothers chartered the steamer "John Howard" with the condition that her cargo should be completed on or before the 30th June. The loading was carried on steadily but owing to the delicate nature of the cargo (rapeseed) great delay was experienced on account of the boisterous weather which prevailed during the latter fortnight of that month. The charterers had the steamer surveyed in time by their marine surveyor Captain Dixon, who gave them an estimate of her carrying capacity according to which they completed her cargo on the 29th June. To be on the safe side they actually shipped over and above the estimated quantity 500 bags of seed, and tried to ascertain whether they could depend on the completion of her cargo with the quantity shipped. Unfortunately they could not get any satisfactory reply from the commanding officer of the "John Howard," and in order to fulfil their engagement in due time they requested the Customs authorities to grant permission to complete her cargo on Sunday should the quantity shipped prove insufficient. They were, however, as on various previous similar occasions, told that Sunday work would not be allowed, as their case was not strong enough.

Under such circumstances, it is a great hardship for merchants to be refused such facilities, as, for instance,

in the present case, Messrs. Volkart Brothers were unable to ship a bag on the 1st July, owing to the continuous heavy rains; and it is needless to point out the loss accruing to the steamer as well as to the merchant from the refusal of the permission asked. Messrs. Volkart Brothers represented that it was only a few hundred bags that were required by the steamer and that all might have been put on board in a few hours on Sunday, whereas they had lost Sunday and Monday, and on the 1st of July, it was difficult to say how many more days might have to be added.

Messrs. Volkart Brothers submitted the case to Mr. O'Conor, who was deputed by the Government of India, to investigate the affairs of the Bombay Custom House, from whose reply the following is an extract,—"Mr. Trevor objects on principle to Sunday work, so he tells me, and does not allow it except on clear necessity, which of course existed in your case. It is certainly a grievance that, in a case like yours, work should be prohibited, and the matter will receive due attention."

5. On the 22nd May 1878, Messrs. Volkart Brothers prepared a Customs Pass for 1,000 Bales of Cotton per Steamer "Thessaly" to Trieste out of which the steamer only took on board 226 Bales. They accordingly applied to the Custom House for refund of the cotton fee on 774 Bales short shipped. By some mistake on the part of the mate of the steamer, their export Pass was wrongly endorsed, and this error consequently crept into the Export General Manifest of the steamer. The Deputy Commissioner after having referred the matter to the Export Department received an application from Messrs. W. & A Graham & Co., agents of the steamer, asking permission to amend the Export General Manifest which was granted on payment of a fine of Rs 5. The agents neglected to pay this fine, and Messrs. Volkart Brothers were unable to get the refund. They were, however, unable to see how the refund due to them could be made dependent on the payment of a fine by the agents of the steamer in question, and after waiting till the 1st of July, they submitted this grievance also to Mr. O'Conor, who ordered it to be settled at once.

6. Messrs. W. & A. Graham & Co., recently received by the S. S. Australia two shipments of spelter, one hard

and the other soft: the duty on hard spelter is 5 per cent. on the tariff valuation of Rs. 11 per cwt., and on soft spelter 5 per cent. on the tariff valuation of Rs. 15 per cwt. Their Custom House clerk by mistake entered both shipments in the manifest as hard spelter: the total loss of revenue, if this mistake had not been observed, would have been Rs. 39-15-4.

Messrs. Graham & Co. immediately applied to the Deputy Commissioner for permission to make the necessary correction in the manifest, stating that it was through inadvertence on the part of their clerk that the spelter had been so entered in the manifest. The Deputy Commissioner, however, considered that as the Invoice did not state whether the spelter was hard or soft, their clerk could have had no excuse for declaring it to be hard without proper enquiry, that he could not accept the plea of inadvertence as satisfactory, and that he had no choice but to confiscate under section 167 clause 37, of the new Customs Act, but that the confiscation would be remitted on payment of a fine of Rs. 40. Messrs. Graham & Co. appealed to the Acting Commissioner Mr. Pritchard, to whom they represented that their clerk could have had no possible object in making the mistake deliberately, and that it was impossible to ensure perfect accuracy in the numerous details of a large business; but Mr. Pritchard did not feel disposed to interfere with the Deputy Commissioner's decision.

7. *Non-dutiable goods.* Messrs. Finlay, Muir & Co. have lately been importing regularly 32 in., 7 lbs., T. Cloths, and they always send a certificate, stating that the goods are made from such yarns as render the goods free from duty. Six shipments have been passed free by the Custom House, but, notwithstanding this, the officials still think it necessary to detain that firm's goods and to open the bales. They are therefore put to considerable inconvenience and the value of the opened bales is also prejudiced, as the goods are wanted as a rule to be sent up-country in bales. As the goods come under the same stamps always, Messrs. Finlay, Muir & Co. justly consider that the goods might be passed at once, after examination of their shipment samples.

8. The same firm complain about the following matter. *Net Weight T. R. Yarn.* It has hitherto been the custom for duty to be accepted on 240 or 250 lbs. per

bale for this yarn. The Commissioner, however, has lately sent them a letter to the effect that unless proof can be produced that the yarn has been made down from a particular count, duty will not be received on the above weight per bale. It is impossible to know exactly from what counts the yarn has been made down, and so they are being compelled to pay a much higher duty than should be demanded. In the meantime net weight yarn *is* being passed on the above basis by some firms in Bombay, so that the anomally exists of one firm being able to pass the same yarn from the same dyers in the usual manner whilst their competitors are made to pay on a basis much more unfavourable for them.

Many other illustrations of the unnecessary obstructiveness of the Custom House officials could be given, but these, the Committee trust, will suffice to convince His Excellency of the urgent need which exists of reform in the conduct of this important establishment. The system which has for many years past been adopted in Calcutta, has, the Committee believe, worked with equal advantage to Government and to the mercantile community of that Port. A junior civilian of known energy and ability is appointed Commissioner of Customs on the understanding that, during his whole period of service, he shall continue to act as Commissioner and aspire to no other office. By this plan, the great inconvenience resulting from frequent changes of the chief officer of the department is prevented; and the Committee would be glad if a similar system were introduced into Bombay.

It is of equal importance that a person of mercantile experience, and one capable of exercising a liberal discretionary power, should be appointed to the important office of Deputy Commissioner.

Some time ago, as the best means of removing the causes of complaint in Madras, a merchant was selected by the Madras Government to fill this office in the Custom House of that Port. It seems to the Committee to be of little consequence whether the person appointed is taken from the official or non-official classes, provided the fittest person is appointed. They believe that there is no other appointment where the qualifications of energy, experience, and the ability to exercise a wise and liberal discretion, are

more needed than in that of the Deputy Commissioner of Customs.

The Committee avail themselves of this opportunity to acknowledge the spirit of liberality with which the Government of India has always desired that the Customs department should be administered. So recently as on the 2nd instant, it passed a Resolution dispensing with the payment of fees on the alteration of documents, the exaction of which, in every case without exception, has for some months past caused unnecessary hardship and annoyance. The concluding passage of para. 4 of that Resolution runs as follows :—"His Excellency the Governor General in Council does not doubt that the discretionary power now vested in Customs Collectors will be wisely and liberally exercised, and the great importance of maintaining, so far as may be possible, friendly relations between the Mercantile Community and the Customs establishments always borne in mind."

The Committee desire me to express their hope that His Excellency the Governor in Council will also take a liberal view of the relations which should exist between the Custom House officials and the mercantile community, and that he will take early measures to introduce such changes in the conduct of the Custom House as will relieve the mercantile community of this Port of the inconveniences to which they are now unnecessarily subjected.—I have, &c.

J. GORDON, Secretary.
W. LANG, Chairman.

APPENDIX V.

CONSTRUCTION OF THE WESTERN RAJPUTANA RAILWAY ON THE BROAD GAUGE.

No. 137 of 1878.

CHAMBER of COMMERCE, BOMBAY, *6th June* 1878.

To the SECRETARY to GOVERNMENT, Public Works Department, (Railway) Bombay.

SIR,—In the course of his reply to the deputation which had the honour of waiting upon His Excellency on the 15th of September last, to present the Memorial of the Inhabitants of Bombay, praying that he would urge on the Government of India and on Her Majesty's Secretary of State, that the whole of the line from Ahmedabad to Delhi be constructed on the broad gauge, His Excellency announced that he had very strongly recommended the line from Ahmedabad to Pahlunpore being constructed on the broad gauge, that that recommendation had been acceded to, and that the construction of that portion of the line was about immediately to be undertaken on the broad gauge. After that announcement, the mercantile community hoped that the work would, from its great importance, be immediately begun and vigorously prosecuted.

It has, however, the Committee regret to say, come to the knowledge of the Chamber that, while the construction of the narrow gauge line from Ajmere to Beawah is being rapidly pushed on, very little progress has been made with that portion of the line between Ahmedabad and Pahlunpore, which was sanctioned on the broad gauge. The earthwork only has been done, and a few culverts only are being proceeded with, while no contract for maintenance, which is usual in works of this description when they are intended to be permanent, has, the Committee understand, yet been given. The languid way in which the work has hitherto been prosecuted may possibly be owing to financial considerations, but the Chamber would be glad to receive on assurance from His Excellency that there is no foundation for the fears which are entertained that it is the intention of the Government of India to depart from its

Resolution passed on His Excellency's recommendation, and to make the line from Ahmedabad to Pahlunpore on the narrow gauge.

While on this subject, I am directed to remind His Excellency that the Chamber has not been favoured with any reply to its Memorial, dated 8th June 1877, to His Majesty's Secretary of State for India, praying that the Railway from Ahmedabad to Ajmere be constructed on the broad gauge. The statements and arguments therein set forth that, with the probable traffic of the Western Rajpootana Railway, the cost of working that traffic on the narrow gauge would be much greater than the cost of working it on the broad gauge, are confirmed by the greater experience acquired from the working of the sections actually opened on the narrow gauge. The results of the working of the Rajpootana (State Metre Gauge) Railway for the half-year ending 30th June 1877 have now been ascertained. These have been brought together and compared with the same results in the working of the traffic of the G. I. P. and B. B. & C. I. Railways, by Mr. Wood, the Chief Auditor and Accountant of the latter Company, in a note, dated 13th May 1878, and Table of Comparison appended thereto. The information contained in this note appears to the Committee to be of extreme importance, and to merit careful consideration before further projects involving the construction of portions of main through lines of communication on the narrow gauge are commenced, I am directed to enclose five copies of this note and Table of Comparison appended thereto for the information of His Excellency the Governor in Council, and also respectfully to request that His Excellency will be so good as to forward copies of them to Her Majesty's Secretary of State and to the Government of India for their consideration.—I have, &c.

J. GORDON, Secretary.

NOTE on some points of the Traffic working of the Rajpootana State Railway, in comparison with the Bombay Baroda and Central India, and the Great Indian Peninsula, Railways, for the twelve months ended with June 1877.

BOMBAY, BARODA, AND CENTRAL INDIA RAILWAY,
CHIEF AUDITOR'S OFFICE, BOMBAY, *13th May* 1878.

1. In para. 18 of the Minute of H. E. the Viceroy, dated 12th March 1878, the question of gauge for the future lines of Railway

to be provided by the State in India was stated to be "no longer open;" and it was claimed that "our experience is already sufficient to prove that narrow" (*i.e.* metre) "gauge lines admit of considerable economy in first construction, and that they are fully capable of carrying any traffic likely to be brought upon them as cheaply at least as a similar traffic could be carried on any Railway."

2. As the adoption of the metre gauge for future State Railways (with the exception of certain strategic lines upon military grounds) is thus declared by so high an authority to be justified on economical grounds, by the experience already gained, a comparison of some of the results actually attained in working traffic on the narrow and on the broad gauges may be interesting and useful.

3. With this view the figures given in the Statement appended hereto have been brought together. They are in most particulars taken from the official Revenue Accounts of the various lines, or from the Reviews of those accounts by the Government Examiners, and where this is not the case they are simply deductions from figures so obtained. They are therefore, not only authentic, but are worked out on the same principles in all cases, and furnish consequently, a reliable basis for comparison.

4. The Railways selected for comparison are the Bombay Baroda and Central India and the Great Indian Peninsula lines, as representing the guaranteed broad gauge, and the Rajpootana State Railway as representing the narrow, or metre gauge, worked by the State. The period of comparison is the twelve months ended with June 1877, the latest date for which all necessary detailed results are as yet completely known for all the lines.

5. The question of construction cost is not here gone into, as no fair basis of comparison between the B. B. & C. I. and the G. I. P. Lines,—constructed under great difficulties, natural and artificial,—and the Rajpootana lines running through an easy country and built with the advantage of every necessary facility as well as of experience laboriously gained on the older lines,—can be laid down. But it could be shown that the Extension and Branch lines of the B. B. and C. I. Company, about 110 miles in length, built during the last 8 years on the broad gauge, have been constructed at a cost per mile not exceeding that of the Rajpootana State Railway, even if the B. B. & C. I. Co.'s new lines, which only required a very limited supply of new rolling stock and workshop accommodation beyond what was drawn from, or available on, the main line, be charged with the same rate per mile (about Rs. 12,500; or say Rs. 13,000) for these purposes as appears to have been sanctioned for the Rajpootana State Lines on the narrow gauge.

6. It should, further, be stated that in the comparative Table appended to this Note, the expenses of the B. B. and C. I. R. for the half-year ended with December 1876 are very unfavourably shown, as the traffic of that half-year was affected, and the Revenue charges heavily increased, by the rupture of the Nerbudda Bridge during the period. Owing to this cause the gross Revenue charges in the second half of 1876 were actually higher than those of the following half-year, though in the latter nearly

40 per cent. more train miles, entirely due to heavier goods traffic, were run, and 2¼ times the weight of goods were carried. It may also be noted that the receipts of the B. B. and C. I. line for Goods traffic are to a considerable extent at certain points kept down by the influence of competition by sea.

7. It should also be mentioned that the figures quoted relating to the G. I. P. R. include those relating to the small State Lines, and the Nizam's State Railway, worked by the G. I. P. R. Co. These do not much affect the results but probably rendered them as shown on the Table appended slightly more unfavourable to the G. I. P. Co. than the G. I. P. Co.'s own line alone would show.

8. The length of the B. B. and C. I. line and that of the Rajpootana State line between Delhi and Agra and Ajmere are so nearly alike—the State line being, however, the shorter by 10 per cent—that no objection can be taken to a comparison of the traffic working on these two lines on the score of the relative shortness of the State railway. The gradients of the State line are, however, heavier than those of the B. B. & C. I. Railway.

9. With these preliminary explanations I would now draw attention to the facts shown by the appended Table.

10. And first as regards Passenger traffic. The Rajpootana State line carried, mile for mile, rather more passengers than the G. I. P. Railway did, but only about 30 per cent. of the number carried on the B. B. and C. I. Railway. On the three railways the proportion of Passengers travelling in third or fourth class varied, from 92·73 per cent. on the B. B. and C. I. line to 98·57 per cent. on the Rajpootana State line. On the State line the average charge for such Passengers was about 2 pies, while on the B. B. and C. I. and G. I. P. Railways it was slightly under 3 pies, per mile. But the cost of their carriage, as apportioned in the Government Examiner's Reviews, was, on the B. B. and C. I. line, 1·64 pies in the December, and ·78 pies in the June half-year per passenger per mile; on the G. I. P. line 1·29 pies and ·87 pies for the same half-years respectively; while on the Rajpootana State line it was 1·33 pies in the December and 1·45 pies in the June half-year.

11. The special cause that affected the B. B. & C. I. R. expenses in the December half-year has been alluded to; but it will be seen that in the June half-year that Company carried its third class passengers at but little more than one half the cost for each per mile expended on the Rajpootana State line. The heavier traffic on the B. B. & C. I. R. may be assigned as the cause of this, but the G. I. P. Company carried its third and fourth class passengers during the first half of 1877, though fewer in number, mile per mile, than those on the State line, at a cost not exceeding ⅗ths of the corresponding cost on the latter.

12. Now, as regards Goods traffic. The tonnage carried on the Rajpootana State line during the twelve months was much less, per mile of Railway, than that carried on the B. B. & C. I. and on the G. I. P. lines. The latter two lines carried 1120 and 1115 tons respectively per mile of railway—while the Rajpootana State line only carried 430 tons, or about 39 per cent. of the traffic on the guaranteed lines.

13. The goods traffic, moreover, on the Rajpootana State line was carried in the whole period in nearly equal proportions 'Up' and 'Down,' but on the B. B. and C. I line the proportion in the June half-year, was 1·94 'Up' to 1 'Down,' while on the G. I. P. line it was in the December half-year 2·02 'Up' to 1 'Down,' and in the June half-year 2·65 'Up' to 1 'Down.'

14. The large proportion of empty running that this inequality involved on the guaranteed lines is clear, but there may be explanations of it, as regards the G. I. P. R., that do not appear in the Accounts, and which would modify this apparent inequality in some degree. In the December half-year, when the proportion of the 'Up' to the 'Down' Goods Traffic was about the same on the B. B. & C. I. line as on the Rajpootana State line (1·16 and 1·12 to 1 respectively) the goods wagons run were loaded on the average on both lines in about the same proportion to their carrying capacity (44 per cent. on the B. B. & C. I. as against 42 per cent. on the State line). In the June half-year, however, while the B. B. & C. I. Company had to carry 1·94 tons 'Up,' for every ton carried 'Down,' the average load of all its wagons employed was 47 per cent. of their capacity, but on the Rajpootana State line with a Traffic nearly equal in both directions ('94 'Up' to 1 'Down') the average loading did not exceed 52 per cent. of the carrying powers of the wagons employed. Apparently, therefore, many more wagons were run on the State lines than the Traffic of the period required, but the Traffic may have been unequal and fluctuating at different periods of the half-year, to an extent not indicated by the Accounts. The same reserve, however, is applicable to the guaranteed broad gauge lines.

15. The figures quoted above and those given in the appended Table show that the Rajpootana State line carried during the year, for every mile of Railway, less than 30 per cent. of the Passengers, and less than 40 per cent. of the goods, carried during the same period on the B. B. and C. I. Railway.

16. While the traffic train-mileage run on the B. B. and C. I. Railway, however, did not exceed 1,159,392 miles, the train-mileage on the Rajpootana lines amounted to 770,571 miles, or, say, 66 per cent. of the former, while the length of the State line was 10 per cent. less than that of the B. B. and C. I. Railway. The train-mileage run on the State lines was, therefore, in proportion to traffic carried, nearly as 2 to 1 when compared with the train-mileage on the B. B. and C. I. Railway.

17. The B. B. and C. I Company hauled in their goods trains an average of 49 wagons, the carrying capacity of which was 8·10 tons each, while the Rajpootana State line goods trains consisted of about 25 goods vehicles only, of an average carrying capacity of 5 tons each. While, therefore, the B. B. and C. I. Company's goods trains *could* convey over 400 tons of freight on each, and *did* actually carry on average about 180 tons, the goods trains on the State lines *could* not convey more than, say, 125 tons, and *did* not carry more than 53 tons in the December, and 63 tons in the June half-year.

18. The purely Passenger train-mileage run on the B. B. &

C. I. Railway amounted to 360,125 miles, but on the Rajpootana line to 7,301 miles only. Practically, therefore, the whole Passenger traffic of the latter was carried in mixed trains, which conveyed only from 20 to 22 vehicles each,—of which 7 or 8 only were goods wagons, while the corresponding trains on the B. B. and C. I. line carried 29 vehicles of much larger capacity, of which 18 on average were goods wagons.

19. The composition of the mixed and goods trains on the Rajputana line seems, therefore, to show *either* that the haulage power of the State line engines is comparatively lower than, and cannot by reason of its heavier gradients be applied so effectively as, that of the B. B. & C. I. line, *or* that the traffic is not sufficiently condensed, and that trains are too freely run. But, whatever the cause, the effect on the working expenses of the State line is clearly disadvantageous.

20. Haulage expenses per train mile cannot be reduced in proportion to the size of the trains run, so that, where the gradients admit of it, large trains equally well loaded in proportion and carrying the same quantity of traffic in their aggregate, should be cheaper to run at equal speeds than small ones. The skilled driver of a small train costs about the same as the driver of a large one, the combined cost of the fuel for two or more small trains is likely to be greater than for one large one—and in many other ways economy is in favour of the larger train carrying a proportionate load.

21. This is sufficiently obvious without illustration, but it is clearly evidenced by the figures given in the Table appended. The average cost per traffic train mile on the B. B. and C. I. Railway in the second half of 1876, (*including* the exceptional charges of the period which represented nearly 12 annas per train mile,) did not exceed Rs. 3-13, but on the Rajpootana State line, the carrying capacity of whose trains (both Goods and Mixed) was—for Goods Traffic—little more than 30 per cent. on the average of those of the B. B. and C. I. Company, the cost per train mile was Rs. 2-3-1, while in the first half of 1877, with about the same relative proportion of carrying capacity in their respective trains as in the previous half-year, the cost per traffic train-mile was, on the B. B. and C. I. Railway Rs. 2-11-5, with the more unequal tonnage 'Up' and 'Down,' as against Rs. 2-5-3 on the narrow gauge State line. The cost of haulage of the trains (Locomotive expenses alone) was, moreover, actually higher per mile run on the Rajpootana State line in the first half of 1877 than on either the B. B. and C. I. or G. I. P. Railways, while the coal used on the State Railway cost only from Rs. 3 to Rs. 4 per ton more than that used on the other lines.

22. The serious influence of the proportionate excess in traffic train-mileage run on the narrow gauge line appears even more strongly when the comparative cost of haulage of goods traffic *per ton per mile* on this and on the broad gauge lines is examined.

23. The Table appended shows that on the B. B. and C. I. line the cost, in the second half of 1876, with all its special contingencies, amounted to 8·46 pies per ton per mile, while the G. I. P.

Company worked its goods traffic at an average cost of 5·11 pies; but on the Rajpootana State line the corresponding outlay was 9·46 pies per ton per mile. In the first half of 1877 the average cost of working the B. B. and C. I. goods traffic was only 3·97 pies per ton per mile, while on the G. I. P. line it was 4·12, and on the Rajpootana State line 7·47 pies. During the first half of 1877, the B. B. & C. I. goods traffic was 126 per cent. heavier than during the second half of 1876. The G. I. P. goods traffic was 66 per cent. and the State line goods traffic also 60 per cent. heavier, in the later period. Thus, though the relative economy in cost of working per ton per mile in the first half of 1877, as compared with the second half of 1876, was slightly greater on the Rajpootana State line than on the G. I. P. Railway, the actual cost per ton per mile was still 81 per cent. higher on the narrow gauge State line than on the G. I. P., while it was 88 per cent. higher than on the B. B. and C. I. Railway.

24. From this cause the net profit *per ton* of Goods traffic carried was considerably (1·28 pies) *less per mile* on the Rajpootana State line in the first half of 1877 than on the B. B. and C. I. Railway, although the State Line received on average 20 per cent. (2·22 pies) *higher* rates for carriage.

25. Now as regards rates charged for Goods traffic. Out of 170,227 tons carried during the twelve months on the Rajpootana State Line, no less than 134,496 tons, or 79 per cent. consisted of salt, grain, sugar, and jagree, articles of traffic on which very low or moderate rates are placed on the G. I. P. and B. B. & C. I. Railways. The same descriptions of traffic represented less than 30 per cent. of the B. B. and C. I. Goods traffic, and only 49 per cent. of the G. I. P. Goods traffic. While, however, with these much smaller proportions of low-rated traffic, the average receipts of the B. B. and C. I. Railway for *all the goods carried* on that line were 11·16 pies per ton per mile in the December, and 11·23 pies per ton per mile in the June half-year; and on the G. I. P. Railway the corresponding receipts were 8·97 and 9·24 pies respectively per ton per mile; the Rajpootana State Railway received 14·54 pies and 13·45 pies in the two half-years respectively per ton per mile on average *on the whole of its goods traffic*, thereby showing how much its charges to the public exceed those made on the guaranteed broad gauge lines. The net profit earned per ton carried per mile was actually greater on the narrow gauge State line than on the G. I. P. Railway in both half-years—but if the State line had received only the same average rates for carriage that the G. I. P. Company did, the accounts of the former would have shown a loss of ·49 pie per ton per mile in the second half of 1876, and a net profit in the first half of 1877 of 1·77 pies only per ton per mile, instead of the 5·98 pies actually obtained.

26. It seems clear from the foregoing comparison that, whatever the capacity of the Rajpootana narrow gauge State line may be, the actual cost per mile of working its traffic, both in Passengers and Goods, is at present considerably greater than on the broad gauge lines with which comparison has been made. If no unnecessary train mileage is run upon it, a large development of its traffic must occur before the cost of working on the basis of

Passenger and Ton *per mile carried*, which is the real ultimate test of economy, can be brought near to that already secured on the G. I. P. and B. B. and C. I. lines. There seem to be good grounds indeed for doubting if the cost, tested by this standard, can be equalized on the two systems when the traffic carried is at all heavy. With a light traffic, a rigid limitation of train-service, and close attention to the composition and loading of trains, so as to work as nearly as possible up to the actual capacity of the stock, and to keep expenditure at the minimum, the result might be in favour of the smaller line and rolling stock. But the restriction of train service necessary to this end appears to be less fully attained on the State line than on the B. B. and C. I. and G. I. P. Railways. The working expenses are consequently increased by additional train-mileage, to an extent that would neutralize the advantage of a far greater saving in original outlay than has been effected by the construction of the line on the narrow-gauge. With a heavy traffic, judging from the evidence available, the advantage in economy appears clearly to lie with the broader gauge and its more powerful and capacious rolling stock; strict and constant attention to the composition and number of trains run being, however, here also, no less an essential condition of economical working.

27. That the unfavourable result of working the Rajpootana State line shown above is not solely due to its light traffic in comparison with the other Railways may be inferred from the fact that the Wudwan Extension of the B. B. & C. I. Railway, 76¾ miles in length, realized during the same period, from traffic earnings almost identical per mile of line, a much greater share of net profit. The traffic receipts *per mile per week* on the Wudwan line during the twelve months ended with June 1877 amounted to Rs. 126, while on the Rajpootana State line they were Rs. 120. The net profit on the Wudwan line was however equal to an average of Rs. 68 per mile per week, while on the Rajpootana State line it was Rs. 35 only. The heavier gradients on the Rajpootana line no doubt rendered its working more expensive than it would have been if they had been as easy as those of the B. B. and C. I. Railway, but it is difficult to suppose that the differences pointed out are entirely due to this cause, the exact influence of which can be best estimated by Engineers.

28. The fair inference, I submit, to be drawn from the facts hitherto realized on the two systems, on the lines selected, and now presented in some of their main features in comparison, is that for such traffic as we now possess and are likely to carry in the future to and from the North West, the metre gauge is a less suitable and more costly medium of transport than the broad; while it is obvious that its interpolation between broad gauge lines will not only cause delay and inconvenience in working interchanged traffic through to its destination, but will greatly lessen the efficiency of the combined rolling stocks on the various lines concerned.

T. W. WOOD,

Chief Auditor and Accountant, B. B. and C. I. Railway.

TABLE showing the Traffic Earnings and Working Expenses of the Rajpootana (State—Metre Gauge) Railway in comparison with those of the Bombay Baroda and Central India, and Great Indian Peninsula (Guaranteed—5 ft. 6 in. Gauge), Railways, for the year ended with June 1877.

		B. B. & C. I. RAILWAY.		G. I. P. RAILWAY.		RAJPOOTANA (STATE) RAILWAY.	
		HALF-YEAR ENDED WITH.		HALF-YEAR ENDED WITH.		HALF-YEAR ENDED WITH.	
		Dec. 1876.	June 1877.	Dec. 1876.	June 1877.	Dec. 1876.	June 1877.
1.	Mean Mileage of Railway worked... ... ...Miles.	439	444	1,399	1,421	396	396
2.	Traffic Train Mileage run, viz.—						
	Passengers... ... ... „	182,837	177,288	599,953	609,135	3,765	3,536
	Goods ... . „	135,957	325,348	1,764,094	3,413,325	52,700	135,572
	Mixed ... ... „	167,118	170,844	444,445	441,367	296,770	278,228
		485,912	673,480	2,808,402	4,463,827	353,235	417,336
3.	Traffic Train miles run per mean mile of line worked ... ... „	1,107	1,517	2,007	3,141	892	1,054
4.	Gross Receipts ... . Rs.	25,04,864	47,22,632	112,95,340	183,91,380	10,08,046	14,59,353
5.	Receipts per Traffic Train mile ... ... „	5 2 6	7 0 2	4 0 4	4 1 11	2 13 8	3 7 11
6.	Gross Expenses ... ... „	18,52,359	18,28,461	60,50,577	79,09,879	7,74,373	9,72,590
7.	Expenses per Traffic Train mile ... ... „	3 13 0	2 11 5	2 2 6	1 12 4	2 3 1	2 5 3
7A.	Locomotive Expenses only per Traffic Train mile. „	0 15 2	0 13 2	0 13 8	0 11 8	0 12 4	0 13 7
8.	Number of Passengers carried ... ... No.	2,478,765	2,668,504	2,112,430	2,335,231	657,167	683,384
9.	Number carried per mile of Railway ... ... „	5,646	6,010	1,510	1,643	1,660	1,726
10.	Percentage of third and fourth class passengers to whole ... ...Per cent.	93·02	92·78	95·73	96·04	98·34	98·57

11.	Average receipt per mile per third and fourth class passenger	Pies.	2·98	3·01	3·03	2·85	2·01	2·02
12.	Average cost per mile per third and fourth class passenger	,,	1·64	·78	1·29	·87	1·33	1·45
13.	Average profit per mile per third and fourth class passenger	,,	1·34	2·23	1·74	1·98	·68	·57
14.	Average number of Goods Vehicles in Goods Trains	No.	49	49	25	20·7	25·4	24·2
15.	Average Number of Vehicles in Mixed Trains (excluding Brakes), viz.—							
	Coaching...	,,	11·	11·5	9·6	8·2	13·	14·
	Goods	,,	18·	18·	16·4	13·3	7·3	8·2
			29·	29·5	26·	21·5	20·3	22·2
16.	Average capacity of Goods Vehicles ...	...Tons.	8·10	8·10	6·50	6·48	5·	5·
17.	Average load of Goods Vehicles	,,	3·57	3·77	3·95	4·	2·1	2·58
18.	Goods Tonnage carried :—							
	Salt	,,	12,784	35,854	34,996	59,202	36,810	49,063
	Grain	,,	32,206	42,272	272,804	376,698	5,219	10,959
	Sugar and Jagree	,,	7,238	15,153	7,451	20,523	7,906	24,539
	Other Goods	,,	99,696	250,362	277,170	527,280	15,523	20,208
			151,924	343,641	592,421	983,703	65,458	104,769
19.	Number of Tons of Goods carried per mile of Railway worked	,,	346	774	423	692	165	265
20.	Average receipt per ton per mile for Goods	...Pies.	11·16	11·23	8·97	9·24	14·54	13·45
21.	Average cost per ton per mile for Goods ...	,,	8·46	3·97	5·11	4·12	9·46	7·47
22.	Average profit per ton per mile	,,	2·70	7·26	3·86	5·12	5·08	5·98
23.	Proportion of Up to Down Goods ton mileage, Down=1	...No.	1·16	1·94	2·02	2·65	1·12	·94

No. 1232 OF 1878.

PUBLIC WORKS DEPARTMENT, (RAILWAY),
BOMBAY CASTLE, 15*th June* 1878.

To the SECRETARY to the CHAMBER of COMMERCE, Bombay.

SIR,—I am directed to acknowledge the receipt of your letter, dated 6th instant, on the subject of the Western Rajputana State Railway, and to inform you that copies have been forwarded to the Secretary of State and the Government of India.—I have, &c.

H. F. HANCOCK, Colonel, R.E.,
Under-Secretary to Government.

APPENDIX W.

EXTENSION OF THE RAILWAY FROM NAGPORE TO RAIPORE ON THE NARROW GAUGE.

CHAMBER OF COMMERCE, BOMBAY, 15*th May* 1878.

To His Excellency the Right Hon. LORD LYTTON, G.C.S.I., Viceroy and Governor General of India in Council.

The Memorial of the Bombay Chamber of Commerce.

RESPECTFULLY SHEWETH,—That your Memorialists, having reason to believe that the extension of the Railway from Nagpore to Raipore has been sanctioned, regret to learn that it is proposed that the line should be constructed on the narrow gauge, which would cause a break of gauge at Nagpore, and would, in other respects, impair the efficiency of the line as a means of safe and easy communication for the heavy local traffic of the districts, and for the through traffic when the line is extended to Calcutta.

The line will open up the greater part of Chhattisgarh, the most populous portion of the Central Provinces, in which all kinds of agricultural produce are raised in superabundant quantities, but in which development is at a stand-still for want of the means of transport. The Commissioner of the Central Provinces, in his Report of the Trade and Resources of those Provinces for the year 1876-77, describes the present condition of Chhattisgarh as follows :—"A run of a few good seasons is as much dreaded by the agriculturist as a failure of the crops, for his produce is then a drug in the market, and he must sell at any price for money to pay the rent of his land." The development of production in the Central Provinces since 1875, when the people began to appreciate the advantages of railway communication, is still progressing, and few lines of railway could, from the great fertility of Chhattisgarh, be sanctioned in India, with better prospects of being financially successful than the Nagpore—Raipore line : nor could any line, when the quantity and bulky nature of its traffic are considered, require the greater capacity of the broad gauge more than this.

That in addition to the heavy traffic in grain and seeds which is certain to flow to this line from the surrounding

districts, the line will eventually form a part of the main through line of communication between Calcutta and Bombay, for the G. I. P. Railway Company's system when extended from Nagpore to Calcutta will, while intersecting the richest provinces in India, shorten the distance between the Capital and this Port by perhaps not less than 200 miles.

That the narrow gauge system may be well adapted for the branches of trunk lines, and for local lines on which the traffic is inconsiderable; but your Memorialists respectfully urge that it would be impolitic to introduce a break of gauge into a line which will ultimately be a great trunk line, as it would necessitate the reconstruction of the line on the broad gauge, at great loss to the country, when the through communication is completed.

That your Memorialists presume that it has been decided to adopt the narrow gauge on this important line on the ground that there would be a considerable saving in the first outlay. Practically, however, the difference in first cost between the completion of the line on the broad and on the narrow gauge, with rolling stock, shops, contingencies, &c., would not, your Memorialists believe, according to estimates, be greater than about £1,000 per mile, while experience has demonstrated that the cost of working a narrow gauge railway, when there is a heavy traffic, is much greater than the cost of working the broad gauge.

That a break of gauge in the heart of the producing districts, from which a very large portion of the G. I. P. Railway Company's grain and seeds traffic comes, will diminish the utility of the proposed line, and materially affect the well-being of the people, and the consequent prosperity of the imperial revenue; and that the interruption will obstruct the efficient transit of the through traffic when the line is extended to Calcutta.

For these reasons your Memorialists pray that, in the construction of the line from Nagpore to Raipore, the broad gauge be adopted.

And your Memorialists, as in duty bound, will ever pray.

For, and on behalf of, the Members of the Bombay Chamber of Commerce.

W. LANG, Chairman.
J. GORDON, Secretary.

No. 130 of 1878.

CHAMBER OF COMMERCE, BOMBAY, 17*th May* 1878.

The SECRETARY to GOVERNMENT, Public Works (Railway) Department, Bombay.

SIR,—I am directed to enclose a Memorial of the Chamber of Commerce to His Excellency the Viceroy in Council, praying that in the construction of the Nagpore—Raipore line, the broad gauge be adopted, and respectfully to express the Chamber's earnest hope that His Excellency the Governor in Council will be so good as to transmit the Memorial to the Government of India, with a strong recommendation that the prayer of it be acceded to.—I have, &c.

J. GORDON, Secretary.

No. 1111 of 1878.

PUBLIC WORKS DEPARTMENT, (RAILWAY),
BOMBAY CASTLE, 29*th May* 1878.

To the SECRETARY to the CHAMBER of COMMERCE, Bombay.

SIR,—I am directed to acknowledge the receipt of your letter, dated 17th instant, enclosing, for submission to His Excellency the Viceroy and Governor General, the Memorial of the Chamber of Commerce, dated 15th instant, praying that, for reasons stated, the 5'6" gauge may be adopted instead of the metre gauge, for the railway recently sanctioned from Nagpur to Raipur, in the Central Provinces.

2. His Excellency the Governor in Council has, I am to state, forwarded the Memorial to the Government of India, but has not felt that he would be justified in making any recommendation regarding the gauge to be adopted eastwards of Kamptee, up to which point it is desirable, in any case, to extend the broad gauge for convenience of Troop Traffic.—I have, &c.

H. F. HANCOCK, Colonel, R.E.,
Under-Secretary to Government.

No. 135 of 1878.

CHAMBER OF COMMERCE, BOMBAY, 3*rd June* 1878.

The CHIEF COMMISSIONER of the CENTRAL PROVINCES, Nagpore.

SIR,—I am directed by the Committee of the Chamber

of Commerce to forward for your information 5 copies of a Memorial which the Chamber has addressed to His Excellency the Viceroy and Governor General in Council, praying that in the construction of the line from Nagpore to Raipore the broad gauge be adopted.

The Committee desire me to add that they will feel very grateful to you if you will kindly favour the Chamber by giving what support you can to the prayer of the Memorial.—I have, &c.

J GORDON, Secretary.

No. $\frac{2243}{106}$

CHIEF COMMISSIONER'S OFFICE, CENTRAL PROVINCES,
NAGPUR, 14*th June* 1878.

From L. FRASER, Esq., C.S., Assist. Secretary to the Chief Commissioner, to the SECRETARY CHAMBER of COMMERCE, Bombay.

SIR,—I am directed to acknowledge your letter of the 3rd instant, forwarding a copy of the Memorial which the Chamber has addressed to the Government of India, praying that broad gauge be adopted in the construction of the Chhattisgarh Railway line.

2. In reply, I am to state that the Chief Commissioner considers it inexpedient to re-open the question which has already been decided by the Government of India in favour of narrow gauge.—I have, &c.

L. FRASER, Assist. Secretary.

No. 1736 OF 1878.

PUBLIC WORKS DEPARTMENT, (RAILWAY),
BOMBAY CASTLE, 28*th August* 1878.

To the SECRETARY to the CHAMBER of COMMERCE.

SIR,—I am directed to forward for the information of the Chamber of Commerce copy of letter from the Government of India No. 3288R, dated 14th August, being a reply to the Memorial of the Chamber, dated 15th May last, praying that for reasons stated, the 5' 6" gauge should be adopted instead of the metre gauge in the construction of

the Railway recently sanctioned from Nagpur to Raipur in the Central Provinces.—I have, &c.

H. F. HANCOCK, Colonel, R.E.,
Under-Secretary to Government.

No. 3288 R.

GOVERNMENT of INDIA,
PUBLIC WORKS DEPARTMENT, (RAILWAY),
SIMLA, 14*th August* 1878.

To the SECRETARY to the GOVERNMENT of BOMBAY, Public Works Department, (Railway.)

SIR,—I am directed to acknowledge the receipt of your letter No. 1,110, dated 29th May 1878, submitting for consideration a Memorial from the Bombay Chamber of Commerce, praying that the broad gauge may be adopted instead of the metre gauge in the construction of the Railway sanctioned from Nagpur to Raipur in the Central Provinces.

2. In reply, I am to state that the line in question is a Provincial one, for which the Local Administration has undertaken the financial responsibility whilst the question of its gauge has been fully discussed, and in compliance with the order of the Secretary of State in Council, it has been decided that that of the metre gauge should be adopted.—I have, &c.

J. S. TREVOR, Colonel, R.E.,
Offg. Deputy Secretary.

APPENDIX X.

YORK-ANTWERP RULES OF GENERAL AVERAGE.

THE ASSOCIATION FOR THE REFORM AND CODIFICATION OF THE LAW OF NATIONS.

33 CHANCERY LANE, E.C., LONDON, 24*th April* 1878.

To the SECRETARY of the CHAMBER OF COMMERCE, Bombay.

SIR,—At the request of the Executive Council of this Association, I have done myself the pleasure of forwarding to you two copies of our Report of the Antwerp Conference, one copy for yourself and the other for your Chairman.

You would greatly oblige if you would draw the attention of the Members of your Chamber to the subjects relating to Commerce which we have been considering, more especially those of establishing a uniform law as regards Bills of Exchange, General Average, and questions relating to Shipping, also Bankruptcy.

We should be very glad if some of the members of your body would join our Association and afford us the benefit of advice and information which practical men alone can give.—I remain, &c.

H. D. JENCKIN, Hon. Gen. Sec.

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33 CHANCERY LANE, E.C., LONDON, 27*th July* 1878.

To the SECRETARY of the CHAMBER of COMMERCE, Bombay.

SIR,—At the request of the English Central Committee, I have done myself the pleasure of forwarding to you by Book Post copies of a report published by the Committee of York and Antwerp rules, from which you will gather that it is intended to put those rules in force from and after the 1st January next, and I now write to you in the hope that you will be willing to follow the example of the ship and steamship owners and powerful under writing bodies of England which now favour the adoption of these rules.

You would greatly oblige by circulating the copies of the report now sent, amongst your friends, and obtaining from them their consent to the proposed change, and where practicable to have such consent put on record by subscribing some document to that effect.

On the other leaf you will find a copy of a draft form of assent which has met with approval here, and which I venture to suggest might be adopted.

You will no doubt concur with me that it is very desirable that

the York and Antwerp Rules should be adopted without alteration, so as to insure a uniform practice until finally the Legislatures of the different countries may be induced to agree upon a common law to regulate general average.—I remain, &c.

H. D. JENCKIN, Hon. Gen. Sec.

We, the undersigned, owners of Steam or Sailing Ships, being of opinion that it is desirable there should be uniform rules of General Average for this and other countries, and taking note of the Resolutions unanimously passed at the Conference held in London on the 30th May last, hereby announce that, on and after the 1st January 1879, it is our intention (whilst reserving liberty of action in exceptional cases) to insert in our Bills of Lading and Charter Parties the following clause, "General Average, if any, payable according to York and Antwerp Rules."

YORK-ANTWERP RULES OF GENERAL AVERAGE.

Report of the English Central Committee.

The opinion that it is not only desirable but practicable to establish a uniform system of General Average for all maritime countries has been steadily gaining ground since the year 1860.

The uniformity in this matter, if practicable, is desirable, needs no proof. A uniform system would or might be understood by all parties; whereas now, when the average is adjusted abroad, it frequently happens that none of the parties really interested, that is to say neither the shipowner nor the underwriters on ship or cargo, have the least knowledge of the law or custom by which the settlement between them is regulated. A uniform system would, in the case of ships calling at ports for orders, do away with the temptation to let the choice of a final port be affected by considerations of the rules of adjusting which may prevail in one country or the other. Were there one uniform system, the General Average could always be adjusted at the cheapest and most convenient place. The consequent saving of incidental expenses, and the diminution of errors and loss to one party or the other, resulting from imperfect knowledge, would, it is believed, be considerable.

A series of International Conferences having this object in view have been held, attended by Adjusters of the most experience in the several countries, and Representatives appointed by the principal Mercantile, Shipowning, and Insurance Associations of America, France, Germany, Holland, Belgium, Denmark, Norway, Russia, England, and other countries. These meetings took place, the first year in Glasgow, afterwards in London, and then in York. Then there was a long interval. In 1876, the subject having been taken up by the "Association for the Reform of International Law," a meeting was held at Bremen, and this was followed, last year, by a meeting at Antwerp, at which more than sixty Representatives of commercial bodies or persons specially conversant with the subject attended and voted.

At these Conferences it very early became apparent that the

differences which alone hindered the establishment of uniformity could be reduced to a very few points. The basis of the law in all the countries is the same. It is the ancient and now universal rule of sea-traffic that whatever is sacrificed for the good of all, to avert a common danger, shall be replaced by the contribution of all. There is no reason why the application of this uniform rule to circumstances, which are independent of nationality should not itself be uniform. Nothing but the erroneous application of the rule in this or that country, adhered to out of respect for old customs, can account for the differences which exist. Nor has it been found difficult to point out and rectify those errors. The first set of Rules, drawn up at Glasgow in 1860, does not greatly differ from the revised Rules drawn up at York in 1864; and at Antwerp, after a full discussion, and although many additional Rules were proposed and considered, the result was that the York Rules were, with slight modifications, re-enacted very much as before. So far, then, as the theory is concerned, it may be said that the basis of a uniform system has been settled.

There still remains the task of obtaining for this system, in this and other countries, the force of law.

For this purpose, Committees have been formed in the several countries, and measures are being adopted, the nature of which must of course vary according to the different political and legislative systems of each country.

In this country, in order that a united course of action should be adopted, a General Conference was resolved upon. At a preliminary meeting held in London early in May, presided over by Mr. George Coyte, Chairman of the Average Adjuster's Association, it was resolved that invitations to the Conference should be issued as follows:—To every Shipowner's and Steamship-owner's Society, Association, or Committee, of the United Kingdom, to send two representatives each; to every Chamber of Commerce of an English port, and likewise those of Manchester, Birmingham, Sheffield, Leeds, and Bradford, to send two representatives each; to every Association of Underwriters, and every Salvage Association of the United Kingdom, to send two representatives each; to the Adjuster's Association, to send two representatives; and to Lloyd's and the London Marine Insurance Companies, to send four representatives each.

The Conference was held at the Cannon Street Hotel, London, on Thursday, May 30th. It was largely attended by representatives from the abovenamed bodies, consisting of shipowners, merchants, underwriters, and adjusters. Lloyd's, however, and the London Salvage Association and Marine Insurance Companies, were not represented.

Sir Travers Twiss, D.C.L., was nominated Chairman, and occupied the chair during the Conference.

The following Resolutions were proposed and seconded, put to the vote, and carried unanimously:—

1. That in the opinion of this meeting, it is desirable that the York and Antwerp Rules of General Average be carried into operation.
2. That in the opinion of this meeting, the most effectual mode

of procedure will be, by a general agreement on the part of ship-owners, merchants, and underwriters, to insert in bills of lading and charter-parties the words "General Average, if any, payable according to York and Antwerp Rules"; and in policies of insurance to add to the Foreign General Average Clause the words "or York and Antwerp Rules," so that the clause will run thus,—"General Average payable as per foreign adjustment (or custom), or York and Antwerp Rules, if so made up."

3. That a definite date should be fixed for the proposed change; and the date recommended by this Conference is the 1st January, 1879.

4. That, concurrently with these steps, communication shall be opened with Her Majesty's Government, through the Board of Trade or otherwise, in view of ultimate legislation in this and other countries.

5. That a Central Committee be appointed to carry out the above Resolutions in concert with the several Local Committees existing or which may hereafter be formed, and with the Council of the "Associaton for the Reform and Codification of the Law of Nations," and to take steps towards raising funds to meet the necessary expenses: this Committee to consist of Messrs.

Henry John Atkinson, London.	John Glover, London.
Laurence R. Baily, Liverpool.	Richard Lowndes, Liverpool.
E. H. Capper, Cardiff.	G. Luckley, Newcastle-on-Tyne.
John Corry, Belfast.	James Park, London.
Robert N. Dale, Liverpool.	E. E. Wendt, London.
John T. Danson, Liverpool.	John Williamson, Liverpool.

With power to add to their number.

At a meeting of the abovenamed Committee, Mr. John Glover was appointed Chairman, and Mr. Richard Lowndes Secretary.

The changes, which the adoption of the York-Antwerp Rules will introduce into the English practice, are the following:—

1. No jettison of cargo laden on a ship's deck will be admitted into General Average.

This is already the general rule here, but wood goods have been admitted as an exception to a certain extent,—that is to say, a jettison of timber or deals from deck is treated as a "general contribution" between those parties who have expressly agreed to the shipment on deck. This exception it is proposed to abolish.

The result will be, that shippers of cargo on deck will recover a loss by jettison direct from their underwriters, provided the cargo is insured with the clause "in and over all." In like manner, the loss of freight will be recovered direct from the underwriter on freight, if there is such a clause. The clause, "in and over all" is at present usually inserted in policies on wood goods and their freight.

2. When a ship is for the common safety taken into a port of refuge, not merely the pilotage and port charges incurred in going into, but likewise those of coming out of such port, will be admitted into general average.

At present, the expense of going in is admitted, whilst the

corresponding expense of coming out again is customarily excluded. In this respect, the present English practice differs from that of every other country.

3. When, at such port of refuge, it becomes necessary to discharge cargo in order to repair the ship or for other purposes connected with the completion of the voyage, not merely the expense of taking the cargo out of the ship, but likewise the cost of warehousing and putting it back in the ship, will be admitted into general average.

At present, the expense of taking it out is so admitted, but the warehouse rent is made a special charge on the cargo, and the cost of reloading a special charge on the freight. In this respect, as in the former, the present English practice differs from that of every other country.

4. The wages and keep of the crew, during the vessel's stay in such port of refuge, will be admitted into General Average.

This is the rule in most other countries. There is no doubt that this item forms a serious part of the loss actually incurred through bearing up for a port of refuge; and, in cases where such bearing up has saved the ship and cargo from the risk of total loss, it seems to be contrary to principle, as well as impolitic, to throw this loss on the shipowner.

These are the only changes in English practice. The remainder of the York-Antwerp Rules refer to matters in which the foreign practices are (when these Rules are adopted) to be assimilated to ours.

This Committee recommend that the utmost publicity be given beforehand to the proposed change, particularly that shippers of cargo may understand what is intended, and may have timely warning to arrange for the insertion of the necessary clause in their policies of insurance.

For this purpose it is proposed that those shipowners who intend to avail themselves of the new Rules, and those underwriters or representatives of Insurance Companies who are ready to admit the new clause into their policies, should be invited to join in an announcement of their intention, in order that the same may be generally circulated.

THE YORK-ANTWERP RULES.

RULE I.—JETTISON OF DECK CARGO.

No jettison of deck cargo shall be made good as General Average.

Every structure not built in with the frame of the vessel shall be considered to be a part of the deck of the vessel.

RULE II.—DAMAGE BY JETTISON.

Damage done to goods or merchandise by water which unavoidably goes down a ship's hatches opened, or other opening made, for the purpose of making a jettison, shall be made good as General Average, in case the loss by jettison is so made good.

Damage done by breakage and chafing, or otherwise from derangement of stowage consequent upon a jettison, shall be made

good as General Average, in case the loss by jettison is so made good.

RULE III.—EXTINGUISHING FIRE ON SHIPBOARD.

Damage done to a ship and cargo, or either of them, by water or otherwise, in extinguishing a fire on board the ship, shall be General Average; except that no compensation be made for damage done by water to packages which have been on fire.

RULE IV.—CUTTING AWAY WRECK.

Loss or damage caused by cutting away the wreck or remains of spars, or of other things which have previously been carried away by sea-peril, shall not be made good as General Average.

RULE V.—VOLUNTARY STRANDING.

When a ship is intentionally run on shore because she is sinking or driving on shore or rocks, no damage caused to the ship the cargo and the freight, or any or either of them, by such intentional running on shore, shall be made good as General Average.

RULE VI.—CARRYING PRESS OF SAIL.

Damage occasioned to a ship or cargo by carrying a press of sail shall not be made good as General Average.

RULE VII.—PORT OF REFUGE EXPENSES.

When a ship shall have entered a port of refuge under such circumstances that the expenses of entering the port are admissible as General Average and when she shall have sailed thence with her original cargo or a part of it, the corresponding expenses of leaving such port shall likewise be admitted as General Average, and whenever the cost of discharging cargo at such port is admissible as General Average, the cost of re-loading and stowing such cargo on board the said ship, together with all storage charges on such cargo, shall likewise be so admitted.

RULE VIII.—WAGES AND MAINTENANCE OF CREW IN PORT OF REFUGE.

When a ship shall have entered a port of refuge under the circumstances defined in Rule VII. the wages and cost of maintenance of the master and mariners, from the time of entering such port until the ship shall have been made ready to proceed upon her voyage, shall be made good as General Average.

RULE IX.—DAMAGE TO CARGO IN DISCHARGING.

Damage done to cargo by discharging it at a port of refuge shall not be admissible as General Average in case such cargo shall have been discharged at the place and in the manner customary at that port with ships not in distress.

RULE X.—CONTRIBUTARY VALUES.

The contribution to a General Average shall be made upon the actual values of the property at the termination of the adventure, to which shall be added the amount made good as General Average for property sacrificed; deduction being made from the ship-owner's freight and passage-money at risk, of such port-charges and crew's wages as would not have been incurred had the ship

and cargo been totally lost at the date of the General Average act or sacrifice; deduction being also made from the value of the property of all charges incurred in respect thereof subsequently to the arising of the claim to General Average.

RULE XI.—LOSS OF FREIGHT.

In every case in which a sacrifice of cargo is made good as General Average, the loss of freight (if any) which is caused by such loss of cargo shall likewise be so made good.

RULE XII.—AMOUNT TO BE MADE GOOD FOR CARGO.

The value to be allowed for goods sacrificed shall be that value which the owner would have received if such goods had not been sacrificed.

JOHN GLOVER, Chairman.
RICHARD LOWNDES, Secretary.

No. 141 OF 1878.

CHAMBER OF COMMERCE, BOMBAY, 10*th June* 1878.

The GENERAL SECRETARY of the ASSOCIATION for the REFORM and CODIFICATION of the LAW of NATIONS, 33 Chancery Lane, E. C., London.

SIR,—I am directed by the Committee of the Bombay Chamber of Commerce to acknowledge the receipt of your letter of the 24th of April last, and two copies of your Report of the Antwerp Conference.

These Reports are now in circulation among members of the Chamber, and I am desired to say that as soon as the Reports have been read, the subjects referred to in your letter will be discussed by the Committee, and their views thereon communicated to you.

In the meantime, I beg to advise you that I have forwarded to you by book-post, a copy of the last Annual Report of this Chamber, namely, the Report for the year 1876-77.—I remain, &c.

J. GORDON, Secretary.

No. 211 OF 1878.

CHAMBER of COMMERCE, BOMBAY, 20*th September* 1878.

The GENERAL SECRETARY of the ASSOCIATION for the REFORM and CODIFICATION of the LAW of NATIONS, 33 Chancery Lane, E. C., London.

SIR,—I am directed to acknowledge the receipt of your letter of the 27th of July last, advising transmission of the copies of the report published by the Committee of York and Antwerp Rules of General Average, and expressing your hope that the members of this Chamber will favour the adoption of these rules.

In reply the Committee of the Chamber desire me to inform you that merchants in the East will naturally agree to these Rules as soon as they are universally adopted at home and in foreign countries.—I remain, &c.

J. GORDON, Secretary.

APPENDIX Y.

MEMORIAL OF THE MANCHESTER CHAMBER OF COMMERCE TO THE SECRETARY OF STATE FOR INDIA ON THE RECENT ALTERATIONS IN THE INDIAN TARIFF APPLYING TO THE DUTIES ON COTTON GOODS AND YARN IMPORTED INTO INDIA.

CHAMBER OF COMMERCE,
MANCHESTER, *March 30th* 1878.

J. GORDON, Esq., Secretary Chamber of Commerce, Bombay.

DEAR SIR,—I beg to enclose for the information of your Chamber, copy of the letter and resolution, transmitted by this Chamber to the Secretary of State for India, on the recent alterations in the Indian Tariff, applying to import of cotton goods and yarns.

The reply which I also enclose, as you will observe, states that the resolution will be forwarded to the Viceroy by the first mail.

I shall be glad to learn that the resolution will meet with the approval of your Chamber, and that it may have its warm support for the object in view.—I am, &c.

THOMAS BROWNING, Secretary.

COPY OF RESOLUTION AND CORRESPONDENCE, INDIAN IMPORT DUTY—COTTON GOODS.

THE MANCHESTER CHAMBER OF COMMERCE AND THE INDIAN IMPORT DUTIES.

The monthly meeting of the Board of Directors of the Chamber of Commerce was held yesterday; the President, Mr. B. Armitage, in the chair. There were also present Messrs. J. Slagg, Hugh Mason, G. H. Gaddum, C. P. Henderson, jun.; J. B. Agnew, J. Mitchell, S. Ogden, J. F. Hutton, E. Ashworth, J. C. Zigomala, G. Lord, and T. Browning, secretary.

At a special meeting of the Board held on Friday it was resolved that a letter should be addressed to Lord Salisbury, the Secretary of State for India, asking for precise information respecting the provisions of the new Indian Budget as affecting cotton goods and yarns. In reply to this request it was stated that the telegram which had been received by Lord Salisbury from the Viceroy did not contain more information as to the particular classes of cotton goods that are to be held exempt from duty than is con-

tained in the telegrams which have appeared in the public press. The following letter was yesterday addressed to Mr. Horace Walpole at the India Office :—

"Chamber of Commerce, March 27, 1878.

"SIR,—I have the honour to acknowledge the receipt of your letter of yesterday, in which the Chamber is informed that Lord Salisbury is not in possession of information more specific as to the particular goods and yarns which in future are to be admitted into India duty free than that contained in the telegrams which have appeared in the public press. I am to state that the Chamber has been informed by telegraph from Calcutta that it is the intention of the Government of India to limit the exemption from duty strictly to the goods and yarns named in the published reports. The Directors are of opinion that such a limitation will fail to secure the obvious intention of the Government, and I have been directed to forward to Lord Salisbury the annexed copy of resolution, passed unanimously at a meeting of the Board held this morning.

"The views contained in the resolution have been arrived at after careful consideration, and they are respectfully and earnestly commended to the attention of His Lordship, the limitation as it now stands having greatly perplexed both manufacturers and merchants in their operations.

"I am further instructed to say that if it be the desire of Lord Salisbury to have practical evidence in support of the position taken by the Directors in the resolution, a small deputation from their number will be happy to wait upon him with that object at any time he may appoint.—I have, &c.

"THOMAS BROWNING, Secretary."

The following is a copy of the resolution referred to :—

"The Directors of the Manchester Chamber of Commerce regard the action of the Government of India in exempting coarse yarns and goods from import duty as the first step towards the complete abolition of the duties, which they hope soon to see accomplished.

"As the Government of India has elected to proceed towards the contemplated end by partial exemption rather than by affording general relief, with the avowed object of removing the protective incidence of the duties on the particular goods and yarns which the Indian mills, by reason of their natural advantages, are suited to produce, it is obvious that the list of free goods requires to be materially added to.

"The exemption is extended, in the first place, to goods containing no yarns finer than 30's, such as can economically be spun by the Indian mills from Indian grown cotton : but then a limitation is added, and the only goods which are to be admitted free are T cloths under 18 reed, jeans, domestics, sheetings, and drills.

"Shirtings and longcloths, for instance, although they be made from 30's and coarse yarns, such as are spun in India, precisely the same in texture as T cloths, and differing therefrom in width, length, and name only, remain subject to the impost.

"In the case of yarns the objection to the fixed limits of the free

list is even stronger; they are 20's water and 30's mule, whilst, as is well known, a great portion of yarn shipped to India up to 24's water and 40's mule, both inclusive, is spun from cotton grown in India.

"In view of the foregoing, it is resolved to urge upon Her Majesty's Chief Secretary of State for India the desirableness of simplifying those provisions of the new Indian Budget that effect manufactured cottons, by exempting from duty all goods made from yarns not finer than 30's and all yarns up to 26's water and 42's mule."

THE MANCHESTER CHAMBER OF COMMERCE AND INDIA.

Mr. Thomas Browning has received the following communication:—

Sir,—I am desired by Lord Salisbury to inform you that he will forward by the next mail to the Viceroy of India a copy of the resolution passed by the Manchester Chamber of Commerce on the 27th instant which formed an enclosure to your letter to me of yesterday's date with a request that His Excellency will give it his careful consideration.—I am, &c.

March 28, 1878. HORACE WALPOLE.

No. 149 OF 1878.

CHAMBER OF COMMERCE, BOMBAY, 21*st June* 1878.

THOMAS BROWNING, Esq., Secretary, Chamber of Commerce, Manchester.

DEAR SIR,—The Committee have had under consideration your letter of the 30th March last and the letter and resolution transmitted by your Chamber to the Secretary of State for India, in which you urge the desirableness of simplifying those provisions of the recent Indian Budget that affect manufactured cottons, by exempting from duty all goods made from yarns not finer than 30's., and all yarns up to 26's. water and 42's. mule.

In reply, I am directed to state that the Chamber regrets that they cannot at present support the resolution of your Chamber, as it would be utterly hopeless in the present state of the finances of India, to expect the Government of India to forego the revenue derived from the goods and yarns which your Chamber desires to have exempted from duty.—I remain, &c.

J. GORDON, Secretary.

CHAMBER OF COMMERCE, MANCHESTER, 28*th March* 1878.

J. GORDON, Esq., Secretary, Chamber of Commerce, Bombay.

DEAR SIR,—Enclosed I have the pleasure to forward for the information of your Chamber, a digest of the proceedings of a deputation representing this Chamber, at an interview with Lord Salisbury on March 8th last, to appeal for the abolition of the duties on the import of cotton yarn and goods into India, and also for the repeal of the Bombay Cotton Frauds Act.

I also enclose the report of the interview taken from the Manchester *Guardian*, but saving the replies of His Lordship which are almost literally reported—it is imperfect and in some respects inaccurate. The short digest being the form in which the proceedings will be retained on our minutes will suffice to preserve you from misapprehension as to the opinions expressed on the occasion, the subjects of which have for so long a time been regarded with solicitude by the Chamber in Manchester and that of Bombay also.—I am, &c.

THOMAS BROWNING, Secretary.

INDIAN IMPORT DUTIES.

MR. LORD reminded his Lordship that, although the Directors of the Chamber had on occasions addressed memorials and letters on the subject to the Indian Office, they had in view of the strain that had been thrown on the finances of India, in connection with recent famines, refrained from personally waiting on his Lordship since November 1874, and hoped their present representations would carry the greater weight.

The moment seemed opportune, as the Finance Budget for the coming year would shortly be laid before the Calcutta Council, and the Chamber hoped that in it provision might be made for at least beginning to deal with the question.

Mr. Lord then expressed a hope that any relief which the Indian Government might be able to afford the trade of Lancashire, might be spread equally over all classes of goods and yarns, and deprecated the proposal that had been made to exempt coarser yarns and cloths from duty, whilst the finer kinds continued subject to the present full Imposts.

He adduced arguments in support of his view, that such a course would be highly impolitic, afford no appreciable relief to English manufacturers, tempt his Indian rival under the shelter of protection to turn on to the finer goods, which he was not in a position to produce economically, open the door to fraud in the passing of goods at the Custom Houses, and in the end the system would be found unworkable.

He then referred to the recent agitation in favour of imposing an excise duty on the productions of Indian Mills, not as a step which the Manchester Chamber approved, for it had pronounced against it, but as evidence of the earnestness with which manufacturers in this country were seeking redress in some form, and as a warning that a bitter feeling of antagonism would be provoked between certain of Her Majesty's subjects in England

and others in India, were these Import duties much longer maintained.

Mr. Lord referred to the fact that, notwithstanding His Lordship's statement, that those who were building Mills in India, counting on a continuance of protection, they were leaning on a broken reed prospectuses, were still put forward instancing the profits made a short time past with the aid of that protection, and that since the deputation from the Chamber waited on His Lordship little more than 3 years ago, the number of spindles at work in India had increased from 500,000 to 1,095,000, he urged that the question should at once be dealt with.

COTTON FRAUDS ACT.

MR. LORD, in pressing for the immediate repeal of the Act, stated the changes that had taken place in the selecting and packing of Cotton, since he went to Bombay 21 years ago, and showed that the great improvement in quality, was due to those changes in conducting the business—such as the facilities for buying up-country and not to the operation of the Act under discussion, which only professed to deal with actual adulteration stopped there, and offered no inducement or reward, either to the specially careful grower or shipper.

He said that whilst the officials of the department not only were useless for good, but a vexatious interference with the legitimate business of Europeans, their action was positively oppressive and often unjust towards native dealers, and that the export fee levied on Cotton leaving India, a fee which it should be mentioned was not paid by Indian Millowners, although their Cotton was subjected to the same supervision benefitted no one, but those who enjoyed the sinecure appointment.

This was shown by the fact that the best Cotton came from districts, where there were no such officials as the Berars, the worst from Compta, for instance, where the frauds department was the most firmly established.

He pointed out that by the rules of the Cotton Brokers' Association, spinners in this country who might receive fraudulently packed bales, had recourse upon the importer, and ample redress, and that the shippers in India, for whose protection and at whose instance mainly the Cotton Frauds Act was in the first place passed, were now urgent for its immediate abolition.

He briefly alluded to the plea for retaining the Act, lately put forward by the head of the Department, Lieut.-Col. Moore, pointing out that his advocacy rested mainly on a state of things that existed 15, 20, and even 30 years ago, and he called on the Government to recognise the very important alteration in the conditions under which the trade was now being carried on.

MR. GADDUM remarked that his Lordship was so well acquainted with the subject and Mr. Lord had so clearly enumerated the reasons why the merchants engaged in the trade object to it that he did not wish to take up much time; he would therefore only refer to some of the grievances which had specially come under his notice through his connection with his own firm at Bombay largely engaged in buying Cotton.

Without mentioning other cases he would state one of the most flagrant ones, which had been printed.

One of their up-country agents bought late in the season 1873 some 11 B. Doll. Cotton, it was the rejected part of selections made during the season, and of course not so good nor so clean a kind of Cotton as he should have accepted earlier in the season, probably the price was lower in proportion; still there was no fraudulent adulteration about it whatever. When the Cotton was being pressed, one of the Cotton Frauds Act Inspectors came up and seized it as Cotton mixed with dirt.

A correspondence ensued; the case was taken before a Magistrate who gave it as his opinion that the Cotton was "honestly merchantable" and after numerous letters between the Cotton Frauds Department and his Bombay firm, they who had paid the seller for the Cotton had not only to lose the Cotton but were fined as if they had committed an offence.

This is one instance of the mischievous interference of the Cotton Frauds Act Officials.

He had in his possession a letter from the Hon. J. M. Stewart Shaw when he left India, giving it as his opinion that if the Cotton Frauds Act was at any time wanted it certainly was not so any longer. Mr. Shaw has spent 25 years in the Civil Service in India, and had excellent opportunities of becoming acquainted with the subject first as Assistant Magistrate in Dharwar, second as Secretary of Government, third as Collector, and afterwards Commissioner of Customs, and finally as an additional member of the Viceroy's Council.

He had also a letter from a Cotton buyer in the Dharwar district, who has had ten years experience, and who is decidedly in favour of repeal of the Act, chiefly on account of the interference which it permits by Officials. He says he dare not come forward in the Press, because the Cotton Frauds Act Inspector could and no doubt would give him much trouble in the future.

There was abundant proof that the Cotton merchants in India do not want the Cotton Frauds Act, and it was hoped his Lordship would see his way towards having it abolished forthwith as a mischievous piece of legislation and vexatious interference with trade.

No. 116 OF 1878.

CHAMBER OF COMMERCE, BOMBAY, 29*th April* 1878.

THOMAS BROWNING, Esquire, Secretary, Chamber of Commerce, Manchester.

DEAR SIR,—I am directed to convey to you the thanks of this Chamber for your letter of the 28th ultimo, containing a digest of the proceedings of a deputation of your Chamber at an interview with Lord Salisbury on the 8th of March last, to appeal for the abolition of the duties on the import of Cotton yarn and goods into India, and also for the repeal of the Bombay Cotton Frauds Act.—I remain, &c.

J. GORDON, Secretary.

APPENDIX Z.

A BILL TO PROVIDE FOR THE LEVY OF FEES FOR THE USE OF GOVERNMENT LANDING-PLACES IN THE PORT OF KURRACHEE.

PROCEEDINGS OF THE LEGISLATIVE DEPARTMENT, BOMBAY.

The following Bill, together with the Statement of Objects and Reasons accompanying it, is published in accordance with Rule 15 of the Rules for the conduct of Business at Meetings of the Council of His Excellency the Governor of Bombay for making Laws and Regulations :—

BILL No. 3 OF 1878.

A Bill to provide for the levy of Fees for the use of Government Landing-places in the Port of Kurrachee.

Whereas it is expedient to provide for the levy of fees for the use of the Government landing-places in the Port of Kurrachee, it is enacted as follows :—

"Landing-place" defined.

1. In this Act the term "landing-place" includes a bunder, wharf, pier, jetty, hard and any place used for the landing, shipping, wharfage, cranage, or storage of goods.

The Governor in Council to fix limits of bunders, &c., and the fees to be levied.

2. It shall be lawful for the Governor in Council, from time to time, by Notification in the *Bombay Government Gazette* and in the *Sind Official Gazette* :

(*a*). To determine the limits of any Government landing place to which the provisions of this Act shall apply ;

(*b*). To fix the fees to be levied—

(1). For the landing, shipping, wharfage, cranage, storage or demurage of goods at ; and

(2). For permitting animals or vehicles to bring or remove goods to or from, or to ply for hire at ; and

(3). For permitting vessels or boats to approach or lie along side,

any such landing-place :

Provided that it shall be lawful for the Governor in Council at any time to exempt any goods, vessel, boat, animal or vehicle, either wholly or partially, from any fee to which the same may be liable under this section.

3. The levy of fees under this Act shall be made, and all other powers and duties conferred and imposed by this Act or by any bye-laws made hereunder, shall be exercised and performed by such officers as the Governor in Council shall from time to time direct, or by such persons as he shall from time to time appoint in this behalf.

Powers and Duties under this Act by whom to be exercised and performed.

4. The officers and persons whose duty it may be to levy fees under this Act shall have the same powers for collecting and enforcing payment of the same as are exercisible under the provisions of any law, for the time being in force, in respect of duties of Sea-customs by the Collector of Customs and his subordinates, and shall have the same privileges and be subject to the same liabilities in respect of any thing done by them in collecting and enforcing payment of the said fees as the said Collector of Customs and his subordinates have, or are liable to, under the provisions of any such law.

Powers, privileges, and liabilities of Officers who collect fees.

The law for the time being in force for the punishment of offences relating to the levy or payment of duties of sea-customs, and for the reward of informers, shall, as far as may be, apply to similar offences committed in respect of the said fees.

Punishment of offenders.

5. Tables of the fees leviable under this Act in the English, Sindhi and Gujrathi languages shall be posted up in some conspicious position at every landing place at which such fess are leviable.

Tables of fees to be posted up.

6. The Commissioner in Sind may, with the previous sanction of Government, from time to time make, and from time to time alter or repeal, bye-laws not inconsistent with the provisions of this Act:

Power to make Bye-laws.

(*a*). Regulating the use of every landing place to which this Act applies;

(*b*). Providing for the management of the traffic over, on and about and to and from every such landing place; and

(*c*). Generally for the guidance of all persons in matters connected with the enforcement of this Act.

The bye-laws so made, and every alteration of the same and every order repealing the same or any portion thereof, shall be published in the *Bombay Government Gazette* and in the *Sind Official Gazette*.

7. The proceeds of all fees realized under this Act shall be applied:

Fees realized under this Act how to be applied.

(*a*). In payment of the expenses of the administration of this Act;

(*b*). In defraying the cost of acquiring or constructing new landing-places required for the convenience of the trade of the Port of Kurrachee or the interest on any moneys expended in any such acquisition or construction; and

(c). In maintaining and improving any existing landing-place in the said Port.

Yearly Accounts to be published.

Accounts of all receipts and expenditures under this Act shall be published once in every year in the *Bombay Government Gazette* and in the *Sind Official Gazette*.

Indemnity Section.

8. The levy of wharfage dues heretofore made in the Port of Kurrachee in conformity with a Notification of the Governor in Council dated the 23rd October 1865, and published at page 1039 of the *Bombay Government Gazette* of the 26th October 1865, shall be deemed to have been lawfully made, and all officers are hereby indemnified in respect of any thing done by them under the authority of the said Notification which might have been done if the said Notification had been lawfully made, and no suit shall be maintained against Government or against any Officer of Government in respect of any thing so done.

STATEMENT OF OBJECTS AND REASONS.

Much inconvenience has been felt for some years past at the Port of Kurrachee owing to the want of statutory powers for enforcing order and controlling traffic at the various bunders and landing-places. This Act is, therefore, introduced for the purpose of empowering Government and the Commissioner in Sind to make and enforce such regulations as may, from time to time, be found necessary.

2. In order that the provisions of the Act may be properly carried out, it is necessary that a fund should be raised from which the costs of administering the Act may be defrayed, and out of which also such improvements and extensions of the landing-places at the Port as may from time to time be required, may be undertaken. For this purpose it is proposed to empower Government to levy fees at every landing-place to which the Act will apply.

3. The opportunity has also been taken to legalize certain wharfage dues which have been levied at the Native Jetty since 1865 under the authority of a Government Notification as to the legality of the issue of which doubts have arisen.

L. R. ASHBURNER.

31st July 1878.

By order of His Excellency the Honorable the Governor in Council,

J. MONTEATH,
Acting Under-Secretary to Government.

Poona, 31st July 1878.

APPENDIX AA.

THE CONCESSION TO CONSTRUCT A RAILWAY FROM BELLARY TO MARMAGOA BAY IN PORTUGUESE TERRITORY.

CHAMBER OF COMMERCE, BOMBAY, *20th August* 1878.

To the Right Hon'ble Lord VISCOUNT CRANBROOK, Her Majesty's Principal Secretary of State for India.

The Memorial of the Bombay Chamber of Commerce

RESPECTFULLY SHEWETH,—That your Memorialists have, with extreme concern, heard it reported that Her Majesty's Principal Secretary of State for India recently granted a concession for the construction of a railway from Bellary to Marmagoa Bay, in Portuguese territory, and that this concession has been granted without the knowledge or concurrence of the Government of India or the Government of Bombay, and without consulting the mercantile communities interested as to the expediency of such a concession being given.

That if the concessionaire be successful in forming a Company to make this railway, the line will be opened to this very grave objection that, while it will be connected at Bellary with the G. I. P. and Madras Railway systems, it will traverse, in its western sections, the foreign districts of Goa, and terminate at Marmagoa, a foreign port.

That while the country belonging to the Portuguese Government will thus be opened up, your Memorialists are not aware of any arrangement having been concluded by the Government of India with that Government, under which all merchandise passing over the line will be exempted from duties and Marmagoa declared a free port, or under which the duties imposed in Portuguese territory will be equalized in every respect with those levied by the Government of India in British territory.

That the trade of the Southern Mahratta Country, which will naturally find its way to the nearest Port accessible by railway, will therefore be subjected to whatever taxation a foreign Government may see fit to impose upon it.

That under the present Goanese tariff, duties of 3 per cent.

are, your Memorialists understand, levied on all goods exported by sea, and the general rate of import duty is 11 per cent. *ad valorem*. Recent experience in this country has demonstrated how much the export trade of British India was restrained by the imposition of similar export duties, and how greatly that trade expanded after the abolition of those duties in 1875. And with regard to the duties levied on goods imported into Goa, your Memorialists need only observe that these duties are so high that they will practically exclude British manufactures from the benefit of the proposed railway communication. But, injurious as the operation of the present Goanese tariff will be on the trade of the Southern Mahratta Country, the mercantile interests affected will have no security against such arbitrary impositions being levied on the export and import trade as national prejudice, caprice, or the necessities of the State, may at any time induce the Portuguese Government to enforce.

That it is reported that the Portuguese Government has granted to the concessionaire the right to levy dues on the shipping at Marmagoa,—a right which will be exercised solely for the private profit of the Railway Company.

That if the scheme as now projected is carried out, the trade of the Southern Mahratta Country will be unnecessarily hampered by these restrictions, for there are districts in British territory, through which the line might pass, and, if such a scheme be considered desirable, there are British Ports, on the Western Coast of India, out of which, as a railway terminus and a port, one as suitable as Marmagoa Bay might be selected.

Your Memorialists therefore consider it their duty to represent to your Lordship, in the strongest terms, how injurious the effect of such a concession, if carried out, will be on the British trade of Southern and Western India, and they respectfully urge that every means be adopted to rescind the concession which has been made by any legitimate means which may be in the power of the Secretary of State.

And your Memorialists, as in duty bound, will ever pray.

For, and on behalf of, the Members of the Bombay Chamber of Commerce,

W. LANG, Chairman.
J. GORDON, Secretary.

No. 180 OF 1878.

CHAMBER OF COMMERCE, BOMBAY, 21*st August* 1878.

The SECRETARY to GOVERNMENT, Public Works Department, (Railway.)

SIR,—I am directed by the Committee of the Chamber of Commerce to forward 12 copies of the Chamber's Memorial to Her Majesty's Secretary of State for India representing how injurious the concession—which, it is reported, has been granted for the construction of a railway from Bellary to Marmagoa Bay—will, if carried out, be on the British trade of Southern and Western India, and respectfully urging that every means be adopted to rescind the concession by any legitimate means which may be in the power of the Secretary of State.

The Committee desire me respectfully to request that His Excellency the Governor in Council will kindly favour the Chamber by transmitting this Memorial to Her majesty's Secretary of State for India, and copies of it to the Government of India, and with such an expression of approval as to His Excellency may seem proper.—I have, &c.

J. GORDON, Secretary.

No. 1763 OF 1878.

PUBLIC WORKS DEPARTMENT, (RAILWAY),
BOMBAY CASTLE, 30*th August* 1878.

To the SECRETARY to the CHAMBER of COMMERCE, Bombay.

SIR,—I am directed to acknowledge the receipt of your letter, dated 21st instant, and to inform you that the Memorial therein enclosed, regarding the proposed construction of a Railway from Marmagoa towards Bellary, has been forwarded to Her Majesty's Secretary of State for India by to-day's Mail.—I have, &c.

W. A. BAKER, Lt.-Col., R.E.
Under-Secretary to Government.

APPENDIX BB.

THE INDIAN MERCHANT SHIPPING BILL, 1878.

No. 654 of 1878.

MARINE DEPARTMENT,
BOMBAY CASTLE, 16*th July* 1878.

From the SECRETARY to GOVERNMENT to the SECRETARY, BOMBAY CHAMBER OF COMMERCE.

SIR,—Adverting to my letter No. 471, dated 1st April 1876, I am directed to forward herewith copy of a letter from the Government of India, No. 365, dated 3rd instant, and of its accompanying Bill to provide for the detention of unseaworthy ships and for the appointment of health-officers at ports, and to request to be favored with the views of the Chamber thereon as early as may be practicable.—I have, &c.,

J. A. M. MACDONALD, Colonel,
Secretary to Government.

Letter from A. O. Hume, Esq., C. B., Secretary to the Government of India, Department of Revenue, Agriculture and Commerce; Commerce and Trade—Merchant Shipping, No. 365, dated 3rd July 1878.

"With reference to the correspondence ending with your letter No. 471, dated the 1st April 1876, I am directed to forward copy of a Bill which has been prepared with a view to provide for the detention of unseaworthy ships, and for the appointment of Health-officers at ports, and to request that the Government of India may be favored with the opinion of His Excellency the Governor in Council thereon, and those of such other persons as His Excellency may think fit to consult. I am specially to request that the Bill may be submitted for the criticism of the Chamber of Commerce at Bombay.

"2. The statement of objects and reasons which accompanies the draft sufficiently indicates the general scope of the Bill and the objects for which it is intended to provide. I am specially to invite attention to the agency which the Bill provides for carrying it out, and to enquire how far such an agency is available, or is likely to be found, when the Bill passes into law, in Bombay. Any suggestions for modifications in the draft which may be thought necessary to adapt it, in reference to the agency by which it will be worked, to the circumstances of Bombay, should be fully explained."

A Bill to Provide for the detention of Unseaworthy Ships and for the Appointment of Health-officers at Ports.

Preamble.

Whereas it is expedient to prevent the departure of unseaworthy ships from British India and to provide for the appointment of Health-officers at ports; It is hereby enacted as follows:—

CHAPTER I.

PRELIMINARY.

Short title.

1. This Act may be called "The Indian Merchant Shipping Act, 1878:" and it shall come into force on the first day of January, 1879.

Local extent.

It shall extend—

(*a*) to the ports mentioned in the schedule hereto annexed, and to such parts of the navigable rivers and channels leading to such ports respectively as have heretofore been declared to be subject to Act No. XXII. of 1855 (*for the regulation of Ports and Port dues*) or the Indian Ports Act, 1875; and

(*b*) to such other ports or parts of navigable rivers or channels leading to ports as the Local Government, with the previous sanction of the Governor General in Council, may, from time to time, by notification in the official *Gazette*, direct.

But nothing herein contained shall apply to any vessel belonging to, or in the service of, Her Majesty or the Government of India, or to any vessel of war belonging to any Foreign Prince or State.

Interpretation clause.

2. In this Act, unless there be something repugnant in the subject or context,—

"Ship."

"Ship" includes anything made for the conveyance by water of human beings or property:

"Master."

"Master" means any person (except a Pilot or Harbour-master) having for the time being the charge or control of a ship:

"Owner."

"Owner," used with reference to a ship, includes also any agent to whom such ship is consigned:

"Port."

"Port" includes also any part of a river or channel in which this Act is for the time being in force:

"Manner prescribed."

"Manner prescribed" means such manner as the Local Government may, from time to time, by rules published in the official *Gazette*, prescribe:

"Unsafe."

and a ship is "unsafe" within the meaning of this Act when by reason of the defective condition of her hull, equipments or machinery, or by reason of over-loading or improper loading she is unfit to pro-

ceed to sea, without serious danger to human life, having regard to the nature of the service for which she is intended.

CHAPTER II.

DETENTION OF UNSAFE BRITISH SHIPS.

Detention by the Local Government.

3. The Local Government, if it has reason to believe, on complaint or otherwise, that a British ship is unsafe, may provisionally order the detention of such ship for the purpose of being surveyed.

Provisional detention by Local Government.

A written statement of the grounds of such detention shall be forthwith served on the master of such ship.

Service of grounds on master.

4. The Local Government may, if it thinks fit, when it provisionally orders the detention of any ship, appoint some competent person to survey such ship and report thereon, and on receiving the report of such person may either order the ship to be released or, if in its opinion the ship is unsafe, may order her to be finally detained.

Power to appoint surveyor.

Action on receipt of his report.

An order of final detention under this section may be either absolute or until the performance of such conditions with respect to the execution of repairs or alterations, or the unloading or reloading of cargo, as the Local Government thinks necessary for the protection of human life; and the Local Government may, from time to time, vary or add to any such order:

Order of final detention.

Provided that before an order for final detention is made, a copy of the report shall be served upon the master of the ship, and within seven days after such service the owner or master may appeal against such report, in the manner prescribed, to the Court of survey (hereinafter mentioned) for the port where the ship is detained.

Service of report on Master and appeal to Court of survey.

5. Where a ship has been provisionally detained and a person has been appointed under section four to survey such ship, the owner or master of the ship, at any time before such person makes such survey, may require that he shall be accompanied by such person as such owner or master may select out of the list of assessors for the Court of survey (nominated as hereinafter mentioned), and in such case, if the surveyor and assessor agree that the ship should be detained or released, the Local Government shall cause the ship to be detained or released accordingly, and the owner or master shall have no appeal; but if the surveyor and assessor differ in their report, the Local Government may act as if the requisition had not been made, and the owner or

Option to owner or master of appointing assessor to accompany surveyor.

Procedure where surveyor and assessor agree;

where they differ.

master shall have such appeal touching the report of the surveyor as is hereinbefore provided.

Power to refer to Court of survey.

6. When a ship has been provisionally detained, the Local Government may at any time, instead of following the procedure hereinbefore provided, refer the matter to the Court of survey for the port where the ship is detained.

Detaining-officers.

Detaining-officers.

7. For the better execution of this Act, the Local Government may, from time to time, appoint a sufficient number of fit persons as its officers, and may remove any of them.

Their powers generally.

Every officer so appointed (hereinafter referred to as a detaining officer) shall have, for the purpose of his duties under this Act, the following powers, that is to say:—

(*a.*) He may go on board any ship and may inspect the same or any part thereof, or any of the machinery, boats or equipments on board thereof, not unnecessarily detaining or delaying her from proceeding on any voyage.

(*b.*) He may, by summons under his hand, require the attendance of all such persons as he thinks fit to call before him and examine, and may require answers or returns to any inquiries he thinks fit to make.

(*c.*) He may require and enforce the production of all books, papers or documents which he considers important, and

(*d.*) He may administer oaths, or may, in lieu of requiring or administering an oath, require every person examined by him to make and subscribe a declaration of the truth of the statements made by him in his examination.

Their power to order provisional detention and survey.

8. Every detaining-officer shall, in addition to the powers hereinbefore conferred, have the same power as the Local Government has under sections three and four, respectively, of provisionally ordering the detention of a ship for the purpose of being surveyed, and of appointing a person to survey her; and if he thinks that a ship so detained by him is not unsafe, may order her to be released.

Detaining-officer to report to Local Government.

Every such officer shall forthwith report to the Local Government any order made by him for the detention or release of a ship.

Of the Court of Survey and of Appeals and References thereto.

Constitution of Court of Survey.

9. A Court of survey for a port shall consist of a Judge sitting with two assessors.

The Judge.

10. The Judge shall be such person as may be summoned for the case, in the manner prescribed, out of a list (from time to time approved for the port by the Local Government) of District Judges, Judges

of Courts of Small Causes, Presidency Magistrates, Magistrates of the first class and other fit persons.

The assessors.

11. The assessors shall be persons of nautical, engineering or other special skill and experience. One of them shall be appointed by the Local Government either generally or in each case, and the other shall be summoned, in the manner prescribed, by the Registrar of the Court (to be appointed as hereinafter declared) out of a list of persons periodically nominated for the purpose by the Local Government, or, if there is no such list, shall be appointed by the Judge.

Registrar of the Court.

12. The Local Government may, from time to time, by notification in the local official Gazette, appoint some fit person to be the Registrar of the Court.

Registrar to summon Court.

13. The Registrar shall, on receiving notice of an appeal or a reference from the Local Government, immediately summon the Court, in the manner prescribed, to meet forthwith.

Case to be heard in open Court.

14. Every such appeal and reference shall be heard in open Court.

Powers of Judge and assessors.

15. The Judge and each assessor shall, for the purposes of this Act, have the same powers as are by section seven conferred on a detaining officer.

Judge may appoint surveyor.

16. The Judge may appoint any competent person to Survey the ship and report thereon to the Court.

Owner or master may attend at survey.

17. The owner and master of the ship and any person appointed by the owner or master, and also any person appointed by the Local Government, may attend at any inspection or survey made in exercise or pursuance of the powers conferred by section fifteen or section sixteen.

Power of Judge to detain or release ship.

18. The Judge shall have the same power as the Local Government has to order the ship to be released or finally detained; but unless one of the assessors concurs in an order for the detention of the ship, the ship shall be released.

Report to Local Government by Court.

19. The Judge shall report the proceedings of the Court in each case to the Local Government in the manner prescribed, and each assessor shall either sign such report or report to the Local Government the reasons for his dissent.

Power of Local Government to make rules with respect to Court of survey.

20. The Local Government may, with the previous sanction of the Governor General in Council, from time to time, make rules to carry into effect the provisions of this Act with respect to a Court of survey, and in particular with respect to—

(*a*) the procedure before the Court;

(*b*) the requiring, on an appeal, of security for costs and damages;

(*c*) the amount and application of fees; and

(*d*) the ascertainment, in case of dispute, of the proper amount of costs under this Act.

Such rules shall be published in the local official Gazette, and shall thereupon have the force of law.

Scientific Referees.

Power to appoint referee to hear appeal.

21. If the Local Government is of opinion that an appeal under this Act involves a question of construction or design, or of scientific difficulty or important principle, it may refer the matter to such one or more out of a list of scientific referees from time to time approved by the Local Government as may appear to possess the special qualifications necessary for the particular case, and may be selected by agreement between the Local Government and the appellant, or, in default of any such agreement, by the Governor General in Council, and thereupon the appeal shall be determined by the referee or referees instead of by the Court of survey.

Option to appellant to require referee to be appointed.

22. The Local Government, if the appellant in any such appeal so requires and gives security to its satisfaction to pay the costs of and incidental to the reference, shall refer such appeal to a referee or referees selected as aforesaid.

Referee to have powers of Court of survey.

23. The referee or referees to whom an appeal is referred under section twenty-one or section twenty-two shall have the same powers as a Judge of the Court of survey.

Costs of Detention and Damages incidental thereto.

Liability of Government for costs and damages, when ship wrongly detained.

24. If it appears that there was not reasonable and probable cause, by reason of the condition of the ship or the act or default of the owner, for the provisional detention of the ship, the Government shall be liable to pay to the owner of the ship his costs, of and incidental to the detention and survey of the ship, and also compensation for any loss or damage sustained by him by reason of the detention or survey.

Liability of shipowner for costs when ship rightly detained.

25. If a ship is finally detained under this Act, or if it appears that a ship provisionally detained was at the time of such detention unsafe, the owner of the ship shall be liable to pay to the Government its costs of and incidental to the detention and survey of the ship; and such costs shall, without prejudice to any other remedy, be recoverable as salvage is recoverable.

What costs of deteniton and survey are.

26. For the purposes of this Act, the costs of and incidental to any proceeding before a Court of survey, and a reasonable amount in respect of the remuneration of the

surveyor or officer of the Local Government, shall be deemed to be part of the costs of the detention and survey of the ship.

Power to require from complainant security for costs, &c.

27. When a complaint is made to the Local Government or a detaining-officer that a British ship is unsafe, it shall be in the discretion of such Government or officer (as the case may be) to require the complainant to give security to the satisfaction of such Government or officer for the costs and compensation which such complainant may become liable to pay as hereinafter mentioned:

Proviso as to complaint by one-fourth of crew.

Provided that, where the complaint is made by one-fourth, being not less than three, of the seamen belonging to the ship, and is not in the opinion of such Government or officer frivolous or vexatious, such security shall not be required; and such Government or officer shall, if the complaint is made in sufficient time before the sailing of the ship, take proper steps to ascertain whether the ship ought to be detained under this Act.

Costs, &c, payable by Government recoverable from complaint.

28. Where a ship is detained in consequence of any complaint, and the circumstances are such that the Government is liable under this Act to pay to the owner of the ship any costs or compensation, the complainant shall be liable to pay to the Government all such costs and compensation as the Government incurs, or is liable to pay, in respect of the detention and survey of the ship.

Supplemental Provisions.

Release of ship at any time by Local Government.

29. The Local Government may at any time, if satisfied that a ship detained under this Act is not unsafe, order her to be released either upon or without any conditions.

Who may enforce detention of ship.

30. When under this Act a ship is authorized or ordered to be detained, any commissioned officer on full pay in the naval or military service of Her Majesty, or any Master Attendant, Harbour-master, Conservator of a port or officer of Customs may detain the ship.

Penalty for proceeding to sea after detention.

31. If any ship after such detention, or after service on the master of any notice of or order for such detention, proceeds to sea before it is released by competent authority, the master of the ship, shall be punished with fine which may extend to one thousand Rupees.

Penalty for carrying to sea officer in execution of his duty.

32. When a ship so proceeding to sea takes to sea, when on board thereof in the execution of his duty, any person authorized to detain or survey such ship, the owner and master of such ship shall each be liable to pay all expenses of and incidental to such person being so taken to sea, and shall also be punishable with fine which may extend to one thousand rupees.

When any owner or master is convicted of an offence under this section, the convicting Magistrate may enquire into and determine the amount payable on account of expenses by such owner or master under this section, and may direct that the same shall be recovered from him in manner provided for the recovery of fines.

Detained ship not to be released because British registry closed.

33. When a ship has been detained under this Act, she shall not be released by reason of her British register being subsequently closed.

Powers of person authorized to survey ship.

34. For the purposes of the survey of a ship under this Act, any person authorized to make the same may go on board the ship and inspect the same, and every part thereof, and the machinery, equipments and cargo, and may require the unloading or removal of any cargo, ballast or tackle.

Certain persons to be deemed public servants.

35. Every Judge, assessor, officer or surveyor under this Act shall be deemed to be a public servant within the meaning of the Indian Penal Code.

Service of order, &c., on master.

36. Where any order, notice, statement or document requires, for the purpose of any provision of this Act, to be served on the master of a ship, the same shall be served, where there is no master, on the owner of the ship, if he resides in the port where the ship is detained, or, if there is no owner residing there, or where the owner is unknown or cannot be found, a copy of such order, notice, statement or document shall be affixed to the mast of the ship, and shall thereupon be deemed to be duly served.

Order, &c., how to be served.

37. Any such order, notice, statement or document may be served by delivering a copy thereof personally to the person to be served, or by leaving the same at his last place of abode, or, in the case of a master, by leaving it for him on board the ship with the person being or appearing to be in command or charge of the ship.

Delegation of powers to Calcutta Port Commissioners.

38. The Lieutenant-Governor of Bengal may, from time to time, by notification in the *Calcutta Gazette*, delegate to the Commissioners for making improvements in the port of Calcutta, either absolutely or subject to such conditions or restrictions as he thinks fit, all or any of the powers, and require the said Commissioners to discharge all or any of the functions of a Local Government under the foregoing sections of this Act, except the powers conferred by sections one, ten and twelve, the power of nominating assessors under section eleven and the power of making rules, and may cancel any such notification.

While any such notification remains in force, all costs and damages which would otherwise be recoverable by or from the

Government under this Act shall be recoverable in like manner by or from the said Commissioners; and the said Commissioners shall, notwithstanding anything to the contrary contained in any enactment now in force, credit or pay, as the case may be, the amount of any costs or damages so recovered to or from the funds held by them in trust as such Commissioners.

CHAPTER III.

FOREIGN SHIPS OVERLOADING.

Detention of overloaded foreign ship.

39. When a foreign ship has taken on board all or any part of her cargo at a port to which this Act extends, and is whilst at that port unsafe by reason of overloading or improper loading, the provisions of this Act with respect to the detention of British ships shall apply to such ship as if she were a British ship, with the following modifications, that is to say:—

Copy of order to be served on Consular officer.

(*a.*) A copy of the order for the provisional detention of the ship shall be forthwith served on the Consular officer for the State to which the ship belongs, at or nearest the place where the ship is detained.

Consular officer may require that surveyor be accompanied by person appointed by him.

(*b.*) When a ship has been provisionally detained and ordered to be surveyed, the Consular officer, at the request of the owner or master of the ship, may require that the surveyor shall be accompanied by such person as the Consular officer may select.

Procedure where surveyor and person appointed agree; where they differ.

(*c.*) In such case, if the surveyor and such person agree that the ship shall be released or detained (as the case may be), the Local Government shall cause the ship to be detained or released accordingly, and the owner or master shall have no appeal; but if the surveyor and such person differ, the Local Government may act as if the requisition had not been made, and the owner or master shall have the appeal to the Court of survey touching the report of the surveyor which is provided by this Act.

Consular officer may appoint one of the assessors of Court of survey.

(*d.*) When the owner or master of the ship appeals to the Court of survey, the Consular officer, at the request of such owner or master, may appoint any competent person, who shall be assessor in such case in lieu of the assessor who, if the ship were a British ship, would be summoned by the Registrar or appointed by the Judge.

Definition of "Consular officer."

Explanation.—In this section "Consular officer" means any Consul-general, Vice-consul, Consular agent or other officer recognized by the Governor General in Council as a Consular officer of a foreign State.

CHAPTER IV.

PORT HEALTH-OFFICERS.

Addition to Indian Ports Act, 1875, after Section 18.

40. In the Indian Ports Act, 1875, after section eighteen, the following section shall be inserted, that is to say :—

"18A. The Local Government may from to time appoint an officer to protect the public health in any port subject to this Act, and suspend or remove such officer.

Appointment and powers of Port Health-officers.

Every officer so appointed shall be styled the Health-officer of the port for which he is so appointed and shall, subject to the control of the Local Government, have the following powers within the limits of such port, that is to say :—

(*a.*) He may at any time enter any vessel and may inspect the same and every part thereof, and the provisions and water provided for the use of the persons on board such vessel and the medicines and appliances and the accommodation for the seamen.

(*b.*) He may medically examine all or any of the persons on board such vessel.

(*c.*) He may require and enforce the production of the log and any other books, papers or documents which he thinks necessary for the purpose of enquiring into the health and medical condition of the persons on board such vessel.

(*d.*) He may call before him and examine for such purpose all or any of such persons, and may require answers to any inquiries he thinks fit to make.

(*e.*) He may require any person so examined by him to make and subscribe a declaration of the truth of the statements made by such person."

SCHEDULE.

PART I—BRITISH BURMA.

Maulmain, Rangoon, Kyook Phyoo, Akyab Bassein, Tavoy and Mergui.

PART II.—THE LOWER PROVINCES.

Chittagong, Port Canning, Calcutta, Cuttack Ports, namely, Balasore, Churáman, Laichhunpur, Chánua, Subarnekha, Dhámra and Sartha.

Part III.—THE MADRAS PRESIDENCY.

Eastern Group.—Ganjam, Gopalpur, Calingapatam, Bimlipatam, Vizagapatam, Coconada, Coringa, Masulipatam, Madras, Cuddalore, Porto Novo, Tranquebar, Negapatam, Nagore, Tuticorin.

Western Group.—Mangalore, Cannanore, Tellicherry, Calicut, Beypore, Cochin.

PART IV.—THE BOMBAY PRESIDENCY.

Bombay.

Northern Group.—Gogo, Bávliári, Khun, Tankária, Dehegám, Dehej, Broach, Bhagwa, Surat, Matwad, Bulsar, Umarsari, Kolak, Kalai, Maroli, Umbargám, Gholwad, Dáhánu creek, Tárápur,

Alivárá Navápur, Sátpáti creek, Máhim (Kelva), Kelva, Dántivra, Arnála.

Southern Group.—Bandora, Veráva, Manori, Utan, Bassein, Bhiwandi, Kallian, Tanna, Trombay, Panwel, Karanja, Rewas, Nagothna, Thal, Alibág, Revdancá, Talkhári, Bánkot, Kelsi, Harnai, Anjanwel, Boryá, Jaygarh, Ratnágiri, Purnagarh, Yeshwantgarh, Vizádurg, Devgarh, Achara, Málwan, Nivti, Vengorla, Reri, Tirekhol, Karwar (including Baitkhol), Chendya, Ankola, Gangawli, Tadri, Honáwar, Shiráli, Coomta, Murdheshwar, Bhatkol.

Karáchi, Aden.

PART V.—THE ANDAMAN AND NICOBAR ISLANDS.

Port Blair and Camorta.

STATEMENT OF OBJECTS AND REASONS.

The main object of this Bill is to prevent the departure of unseaworthy ships from British India by subjecting ships in Indian Ports to provisions similar to those to which ships are subject in the United Kingdom. The Act of Parliament which deals with this matter is the 39 & 40 Vic., c. 80. Many of the provisions of that Act extend to British ships wherever they may be, but some —and perhaps the most important—are confined to ships sailing from ports in the United Kingdom. It is with these latter provisions that this Bill deals, and care has been taken strictly to confine its scope to those portions of the English Act which do not extend to ships in Indian Ports, and in no way to trench upon those sections which apply to British ships wherever they may be.

2. The sections of the 39 & 40 Vic., c. 80, which have been adopted in this Bill are those relating to the detention of unseaworthy British ships and the overloading of Foreign ships, namely, sections 6 to 13 inclusive, and sections 15, 34 and 35.

The effect of those provisions may be shortly stated as follows:—

Section 6 empowers the Board of Trade to order the detention of any British ship which they believe to be unsafe, and sections 7, 8 and 9 deal with the constitution and procedure of the Court of Survey, to which appeals may be made from such order.

Section 10 lays down the cases in which the Board or shipowner respectively shall be liable for costs of detention and survey; section 11 empowers the Board to require security for costs from a complainant, whilst section 12 is taken up with general supplemental provisions as to the detention of ships.

Section 13 gives the Board power to detain in any port of the United Kingdom a foreign ship which is unsafe from overloading, if she has taken on board any portion of her cargo at that port.

By section 15, in cases of scientific difficulty, a special Court of appeal of scientific men is provided; and sections 34 and 35 contain miscellaneous provisions as to the enforcement of the detention of ships and service of orders, notices, &c., on masters.

The other sections of the English Act, so far as it relates to the seaworthiness of ships, either apply *proprio vigore* to all British

ships wherever they may be, or are considered unnecessary in the case of British ships in Indian Ports.

3. In adopting in India an English Act of this nature, it seems advisable to make the Indian Act as nearly as possible identical with the English one. In drafting this Bill, therefore, the provisions of 39 & 40 Vic., c. 80, have been followed as closely as possible, not merely in substance, but also in wording. The different circumstances of India have, however, required certain alterations in the authorities who are to carry out the provisions of the Bill. For example, it has been necessary to substitute "Local Government" for "Board of Trade" and to alter the list of persons from whom the Judge of the Court of Survey shall be summoned; and the Lieutenant-Governor of Bengal has been authorized to delegate his powers under the proposed Act to the Calcutta Port Commissioners (section 38); but as a rule the provisions of the English Act have been adopted as they stand.

4. The opportunity has been taken to amend the Indian Ports Act, 1875, so as to give a legal status to the Port Health-officer, and invest him with the powers to enter and inspect any vessel in port, which it is necessary he should possess for the satisfactory performance of his duties.

WHITLEY STOKES.

Simla, 8th June 1878.

CHAMBER OF COMMERCE, BOMBAY, *26th September*, 1878.

To the SECRETARY to GOVERNMENT, Marine Department.

SIR,—I am Directed to acknowledge the receipt of your letter No. 654, dated the 16th of July last, forwarding a copy of a letter from the Government of India, No. 365, dated the 3rd idem, together with a copy of "The Indian Merchant Shipping Bill, 1878," and requesting that Government may be favoured with the opinion of the Chamber of Commerce on the provisions of the Bill.

The Chamber—having referred the Bill to the consideration of a Special Committee—has now the honour to report upon those sections of the Bill, which, in the opinion of the Chamber, should be altered or amended.

SECTION 2, PARA. 4. The Chamber protests against the word "Owner," when used with reference to a ship under this Act, including the agent to whom the ship is consigned. An agent, who merely acts for the owner, has no knowledge of the condition of the ship, or of what she can carry. It seems to the Chamber that the master, who has for the time being the charge or control of the ship, should be the person responsible, and that it would be unjust to make the agent, equally with the owner or master, liable for the

penalties under this Bill. The penalties, for instance, imposed on any "owner or master," under section 32, where, in the case provided for, the agent could not possibly exercise any control over the conduct of the master when a ship is proceeding to sea, would fall with great hardship and injustice on the agent, if the "owner," in accordance with this para., included the agent. The Chamber therefore recommends that this paragraph be omitted, or, if a definition of "owner" is considered desirable that the paragraph should run as follows,—"Owner, used with reference to a ship, means the person or persons whose names appear in the ship's register."

SECTION 3. The provisional detention contemplated by this section should be limited to a reasonable time. The Chamber recommends that after the concluding word of para. 1, the following limitation be added,—"such provisional detention not to exceed three days."

It is also desirable that the time within which the written statement of the grounds of the detention of the ship shall be served on the master should be defined in the Bill; and the Chamber therefore recommends that the word "forthwith," in para. 2. of this section, be omitted, and the following words added to this para., namely, "within 24 hours from the time of the ship's detention."

SECTION 7, *Clause* (*a*). The Chamber recommends that between the words "from" and "proceeding," being the fifth and fourth last words of this clause, the words "discharging or loading or" be inserted. The clause will then run as follows :—

> "(*a*.) He may go on board any ship and may inspect the same or any part thereof, or any of the machinery, boats or equipments on board thereof not unnecessarily detaining or delaying her from discharging or loading or proceeding on any voyage."

SECTION 11. The Chamber recommends that the list of assessors contemplated by this section shall be prepared and published periodically by the Local Government, in order that the public may be enabled to judge if the persons, whose names are entered in the list, are fit persons to serve as assessors.

It also recommends that the last thirteen words of this

section, namely, " or, if there is no such list, shall be appointed by the judge," be omitted, as giving too much power to the judge.

SECTION 24. Although the wording of this section is identical with para. 1 of section 10, of the English Merchant Shipping Act, 1876, yet the Chamber recommends that the 9th and 10th words of this section, namely, " and probable" be omitted, as these words appear to them to give too much latitude to the surveyor. It also recommends that to this section the following words be added,—" and the cost of removal or discharge of cargo, ballast, equipment, &c., for the purposes of such survey."

SECTION 32. The Chamber requests attention to its remarks under section 2, para. 4. It has shewn under that section how unjust it would be to render the agent of a ship liable for penalties which should properly fall on the master; and it believes that, if the Legislature persists in making the word " owner," in the interpretation clause, include the agent, it will injuriously affect the shipping trade, in as much as it will have the effect of deterring merchants from acting as the agents of vessels.

Provided the word " owner," in section 32, does not mean the agent of the ship, there does not appear to the Chamber to be any objection to this section.

SECTION 34. The Chamber recommends that after the word " Act," in the second line of this Section, the words " as provided for in sections 4 and 5," be inserted.

It also recommends that after the word " person," in the second line of this section, the words " or persons" be inserted. The section will then run as follows,

> " 34. For the purposes of the survey of a ship under this Act, as provided for in sections 4 and 5, any person or persons authorized to make the same may go on board the ship, &c."

With these exceptions, the Chamber approves of the provisions of the Bill.—I have, &c.,

W. LANG, *Chairman.*

J. GORDON, *Secretary.*

APPENDIX CC.

PROPOSAL OF THE EASTERN TELEGRAPH COMPANY TO ISSUE AN AUTHORISED CODE OF 50,000 WORDS.

BENGAL CHAMBER OF COMMERCE, CALCUTTA, *6th September* 1878.

To J. GORDON, Esq., Secretary, Chamber of Commerce, Bombay.

DEAR SIR,—The Committee of this Chamber have had their attention drawn to a movement contemplated by the Eastern Telegraph Company, the adoption of which would result in all present commercial codes being rendered useless, and merchants will have to suffer the inconvenience, annoyance, and expense of preparing new ones.

The proposal is to issue an authorised code of 50,000 words selected from the English, French, German, Latin, Italian and Hindustani languages—which it is declared by the Chairman of the Eastern Company would be sufficient for the requirements of commerce—and to apply a single rate for each word in this code, but a double charge would be made for any words other than those contained in it.

The carrying out of such a scheme would cause a total disorganization of the present system of working with figures and retranslating into words, which has been generally adopted by merchants, and in the opinion of this Chamber an endeavour should be made to resist this attempt of the Telegraph Companies by an unanimous action on the part of all mercantile communities interested in maintaining the arrangements now in operation.

The adoption of an authorized code of 50,000 words is advocated by the Chairman of the Eastern Company on the ground that "the occupation of the lines for the repetition of words wrongly transmitted is not only a loss to the Companies but inconvenient to the public, other telegrams being delayed while mistakes are remedied." But it can be shown beyond doubt that the transmission of messages in figures only, including entire repetition, would occupy less time than word messages require. Indeed it was the suggestion of the late Director General of Telegraphs in India that merchants here should put their codes into figures as best suiting the Telegraph Companies; and as most of them did so they have now to translate their messages into figures and retranslate them into words.

The Committee have no objection to an authorised code, but they consider that a code containing only 50,000 words is not sufficient for the requirements of commerce; that at least 100,000 words are necessary; and that the use of such authorised code should be optional with merchants. They have no doubt in time its use would become general as new codes were prepared, but in the meantime they suggest that a united representation be made

to the Companies and to the Government Director General, advocating that merchants be allowed to continue using their present codes, and that 5 figures should be taken as one word without repetition charge, as also Whitelaw's word combinations and any others based on the same principle.

The Committee would be glad to be informed if your Chamber is willing to join in a general protest against the proposed alteration, and in a request that all words or word combinations not exceeding 10 letters similar to those referred to be admitted and 5 figures be received as one word without extra charge. Should such a protest fail to bring the telegraph authorities to reason the publicity that will thereby be given to the unpopularity of the present lines will probably lead to competition, as a new deep sea cable could now be laid down at greatly less than the last one cost. Such a result would equally meet the mercantile wants, and such a line working correctly would certainly command the support of the Calcutta merchants.

An early reply will oblige, as it is advisable that this matter be fully gone into long before the next Congress meets.—I remain, &c.

H. W. J. WOOD, Secretary.

No. 214 OF 1878.

CHAMBER OF COMMERCE, BOMBAY, 23*rd September* 1878.

H. W. J. WOOD, Esq., Secretary, Bengal Chamber of Commerce, Calcutta.

DEAR SIR,—The Committee of this Chamber have had under consideration your letter of the 6th instant, regarding the proposal of the Eastern Telegraph Company to issue an authorised code of 50,000 words.

In reply, I am directed to observe that this Chamber has no information in regard to this contemplated movement beyond what you have communicated to it and what has appeared in the public newspapers, but the Committee concur with you in considering that a code containing only 50,000 words is not sufficient for the requirements of Commerce, that at least 100,000 words are necessary, and that the use of the proposed authorized code should be optional with merchants. So far, therefore, as the Committee can see at present, they will be happy to join in a general protest against the proposed alteration, and in a request that all words or word combinations similar to those referred to in your letter be admitted and 5 figures be received as one word without extra charge.—I have, &c.

J. GORDON, Secretary.

TELEGRAPH CIPHERS.

Correspondence between the Government of India and Messrs. James Finlay & Co., Glasgow.

12th March 1878.

From JAMES FINLAY & Co., Glasgow, to the MARQUIS OF SALISBURY.

We beg to be allowed to bring under your Lordship's notice, the following papers enclosed herewith.

1. Copy of a Memorial to Lord John Manners, the Post Master General, on the subject of ciphers that may be used for telegraphing. All the firms who have signed the Memorial along with us are of the highest standing and reputation in the Eastern Trade.
2. Copy of the useful little work referred to in it.
3. Copy of a correspondence between the Calcutta Telegraph Office and our firm there, Messrs. Finlay, Muir & Co.
4. A few specimens of the telegrams received by us containing the words in question.

With regard to the first two enclosures we would respectfully solicit your Lordship's favourable consideration of the Memorial to the Postmaster General, so far as the Indian Government are concerned.

On the correspondence between our Calcutta firm and the Calcutta telegraph officials, we would remark that we ourselves compiled 100,000 words, not exceeding 10 letters from the dictionaries of four or five European languages which we had in use up till July last year, when we began to use the words published by Mr. Whitelaw. The benefit of Mr. Whitelaw's words over our own is that they bring a large number of ciphers into a small compass, so that when a word is mangled in transmission it is very readily deciphered. They are thus a great practical benefit not only to the receivers of messages but also to the Telegraph Companies. They do not save anything whatever in the cost of our telegrams, but since July last we have had upwards of 500 messages from Calcutta alone, similar to the specimens enclosed, and we have not had occasion to ask for a repetition in a single instance. We therefore think that we have a reasonable ground of complaint against the Calcutta telegraph officials who have gone on accepting these words for six or seven months in lengthened messages (surely a long enough prescription to establish their use) and then all of a sudden object to them. We would also remark on the reason which they give for their procedure. First, in their letter of 26th January they say the words are not language at all, on which our Calcutta friends point out that they are language and most intelligible language. Then in their subsequent letter of 30th January the telegraph officials shift their ground, and write, "it cannot reasonably be held to be in accordance with the usage of any language indiscriminately to join

any prefix to any affix." But this remark which is a perfectly just one in itself shows an entire misapprehension of Mr. Whitelaw's combinations which are formed on the principle that any affix of the name of a place may be rightly combined with any descriptive adjective or any proper name of its own language. After the interesting works of Dr. Forstemann in Germany (Die Deutschen Ortsnamen) and the Rev. Isaac Taylor in England (Words and Places) we should not have thought that this principle would have been gain-said by any one of intelligence of the present day. But even if so high authority could not be appealed to, we think to put it on the very lowest ground that the word combinations should come under the rule, that cases of doubt are to be decided in favour of the sender of the message.

We have every hope therefore that the result of our application to your Lordship will be the reversal of the decision arrived at by the Calcutta telegraph officials.

CALCUTTA, 26*th January* 1878.

TELEGRAPH SUPERINTENDENT to Messrs. FINLAY, MUIR & Co., Calcutta.

I am desired to call your attention to the fact that inadmissible groups of letters are used in your foreign messages—*e. g.*, in No. 350 of the 17th instant there occur "Maniknagar," "Ekrupparah," "Syndmouth," and in No. 396 of the same date "Diwarkushk' and "Emmotfleet," which are mere combinations of letters and have no existence as words in any language. Letter cipher under the rules of this department is inadmissible in foreign messages, and I must request therefore that you will make such alterations in your Code as will save us the necessity of returning messages containing it.

CALCUTTA, 26*th January* 1878.

Messrs. FINLAY, MUIR & Co. to the SUPERINTENDENT, Government Telegraph Office.

In reply to your memo. of date we would respectfully beg to point out that the words you refer to are taken from a Code compiled of geographical names in accordance with the rule that combinations of words in accordance with the usage of the language are admissible. The word "Maniknagar" means the "City of Manik," and is in exact accordance with the usage of the language and the other words you refer to in the same way. We trust this explanation will be satisfactory to you, and if you wish it we shall be glad to show you more fully the principle of the Code, and we may add that no objections are taken to it at home or on the continental lines.

CALCUTTA, 30*th January* 1878.

TELEGRAPH SUPERINTENDENT to Messrs. FINLAY, MUIR & Co., Calcutta.

Referring to your letter, dated the 26th inst., I am desired to

inform you that the Director General is unable to admit messages containing such combinations as those under notice. They are not words in actual use and are therefore inadmissible under the Convention. I am to add that the Director General is well acquainted with the principle of the Code, and that it cannot reasonably be held to be in accordance with the usage of any language to indiscriminately join any prefix to any affix. I must request therefore that you will, as soon as you can, communicate with your correspondents on the subject, discontinue the use of these combinations and others similar to them in your messages.

LONDON, 17*th April* 1878.

The UNDER SECRETARY of STATE for INDIA to JAMES FINLAY & Co., Glasgow.

I am directed by the Secretary of State for India to acknowledge receipt of your letter (*with* enclosures) of 12th ultimo, remonstrating against the opposition of the Telegraph Department of the Government of India to the use of Mr. Whitelaw's Code of words for telegraph messages.

In reply Mr. Hardy directs me to observe that the principle on which the Code in question has been prepared is, as you are aware, considered not only by the Indian Telegraph Department, but also by the British Post Office, to be inconsistent with the Telegraph Rules adopted at the St. Petersburg Convention, and that the use of the Code is in consequence equally objected to by both authorities. As long therefore as the Convention Rules remain as they are he does not see how the use of that Code can be sanctioned, but at the next Conference which is appointed to be held in London in July next, the rules themselves will be revised; and it can then be determined whether such of them as affect Code language require any, and if so, what modification.

GLASGOW, 19*th April* 1878.

JAMES FINLAY & Co., Glasgow, to the UNDER SECRETARY of STATE for INDIA.

We have the honour to acknowledge and thank you for your letter of 17th instant in reply to ours of 12th ultimo. With regard to Mr. Whitelaw's Code of words for Telegraph Messages, we would express our very great regret that this useful little work should not receive your official recognition. Up till now we have not received a reply to the memorial to Lord John Manners on the subject, signed by so many of the leading mercantile firms in the Eastern Trade, so that we are not yet aware of the view which the British Postal authorities take of the subject, though we believe they are now giving the work itself a careful reconsideration.

In thanking you for what you kindly mention as to the next meeting of the International Telegraph Conference in July, we

would point out that the present question turns on the construction of the present St. Petersburg Rules which states :—

"Combinations of words contrary to the usage of the language are not admitted."

If this rule were altered to :—

"Combinations of words contrary to the usage of the lan-
"guage are not admitted, but combinations formed in
"accordance with the usage of the language though
"they may not be in actual use, are not to be held to be
"contrary to the usage of the language,"

we really do not think that it would imply any more than it does at present, and it is precisely on this construction that Mr. Whitelaw's Work is founded, it being merely a compilation of names *actual and possible.*

If, however, at the next meeting of the International Conference this construction of the rule could be established beyond doubt, it would be a very great boon to all of us in the Eastern Trade, and it is for the purpose of placing this before you, in the hope that the India Office may use its influence to bring it about that we again trouble you on the subject. We could easily show from our own experience that increased facilities for telegraphing by the free use of all legitimate ciphers tend to a greater revenue to the telegraph lines, because, although we are enabled to telegraph freely on any particular subject more cheaply, yet the number of subjects telegraphed about is far more, and the information given much more complete than when we are restricted in our use of ciphers.

LONDON, 26*th April* 1878.

Major J. U. BATEMAN CHAMPAIN, Director-in-Chief, Indo-European Government Telegraph Department, to JAMES FINLAY and Co. Glasgow.

I have read with much interest a packet of correspondence from yourselves and others about Mr. Whitelaw's Code of Words for Telegraph Messages.

I am not authorised to communicate with you officially on the subject, but as I have had and may again have a voice in the discussion of this and similar questions at the Conference, I trust you will let me trouble you with one or two remarks.

I should like you to look on this note as merely an expression of my individual opinion.

I freely admit the necessity for employing Codes. I think their use should be encouraged by the administrations and, moreover, it seems to me that Mr. Whitelaw's scheme is ingenious, simple, and sound in the abstract.

On the other hand, certain rules have been, as you are aware, laid down by the Convention, and I cannot help thinking that under them, as they now stand, the Code is not admissible.

Permit me to say that I believe you somewhat misapprehend the real intention of the regulation you quote "combinations of "words contrary to the usage of the language are not admitted."

This regulation was meant to prohibit the tender as single words, of such expressions as "wire answer," "send reply," "start to-day," &c., &c., &c.

Our unit for measurement is, as of course you know, the word. Our tariffs were originally fixed on supposition that a word would average 5 or 6 letters, and at first words of no less than 7 syllables long were accepted with the ideas that these would be very rare and that short words here and there would counterbalance them. But the general adoption of Codes on long lines soon ousted all the short words, and we were forced to come down to 10 letters as the minimum length of a single word.

Now, I have always maintained that in principle telegraphy should, like everything else, be paid for in proportion to the labour exacted. If I employ a painter to write a long name over my door I have to pay him I suppose more than for a short one. In theory, therefore, it ought not to matter to me whether "wire answer" were transmitted over my wires or "photograph," both consisting of 10 letters; and in theory therefore a letter tariff would be more logical than a word tariff. But in practice the adoption of the former would give rise to immense trouble, and for the present at least the limited word is the standard. Now our lines, though largely supported by the mercantile houses, code users, are not exclusively for their benefit, and as indicated above tariffs were originally framed for plain language. Latterly, of course, we have not been blind to the increased employment of codes, but we have never bargained for every word being up to the maximum. I am not now arguing about what the conditions ought to be, I am merely pointing out what they are, to show that if our charges were fair for words averaging 5 or 6 or even 7 or 8 letters, these charges should be raised if by the universal use of codes no word less than 10 letters *long* were ever tendered for transmission. It is exceedingly difficult to devise a set of rules which shall not be liable to abuse by one class of senders or else too stringent for another.

It is difficult to say even what is a fair word. Our practice is not to question such combinations as "race horse," "blackbeetle," "lamplight," &c., &c., because these are already in actual use. Again, "Liverpool," being the name of a place, is of course a perfectly fair single word, but I should say that "elbow pool," although no longer and no more troublesome to the signaller should not, strictly speaking, be accepted, because I assume that no such place does exist. "Forget me not," if it were only 10 letters long instead of 11, would be one word, because it happens to indicate a particular object, but "remember me" would be two, because it does not represent a particular object. The reason for this whether good or bad is obvious. Our standard is the word, not combinations of letters or syllables nor strings of words up to 10 letters.

Such being the case, if we admit Mr. Whitelaw's combinations, would it not be open to any deviser of a rival Codeto argue that, as the usage of the language admitted "forget me not," three separate words, to be tacked together and to form a single group, so any other three short words might be combined. At present our reply is "these may some day or other be combined and get into general

"use, but hitherto they have not been. We do not consent to new "words being coined by a code-maker; he must content himself "with those already established." If we allow the innovation up goes every group to the maximum, and as a reasonable consequence up go our tariffs also, the sender of plain language or short code words being the sufferer.

As far as I am concerned, I would gladly see Mr. Whitelaw's Code legalised, if it could be done without opening a wide door to other systems which would vastly augment the signalling labour and make the word standard an absurdity.

I shall be very glad indeed to receive any further suggestions from you if you should think it worth while to answer these rather hasty observations.

GLASGOW, 30*th April* 1878.

JAMES FINLAY and Co., Glasgow, to Major J. U. BATEMAN CHAMPAIN.

We beg to return you our best thanks for the courteous unofficial letter addressed to us, under date 26th instant, on the subject of Code Words for Telegrams. We have often thought that it would be well if the telegraph officials were to discuss this matter freely with such firms as ourselves or any of those who signed the recent memorial to the Postmaster General and who have a large and varied telegraph correspondence with the East, so that they might see what the necessities of business required, as we think it would be found that the real interests of merchants and those of the telegraph lines are not antagonistic. We can also say both for ourselves and all our respectable neighbours that we are most anxious to keep within the rules laid down from time to time, and while taking full advantage of them, we would not willingly seek to evade them in any way. We shall therefore express our views fully on the points you have referred to:—

1. *The* 10 *Letter Limit.*—It seems to us in every way right that there should be a limit to the length of a word for a single tariff, so as to prevent the use of too long words. In fixing this at 10 letters we think the Conference selected the very lowest maximum that would have been at all endurable. This rule gave immense trouble and inconvenience at the time when it took effect, but we have all now become accustomed to it, and we trust it will be allowed to remain as a lasting settlement of this matter, fair to the telegraph lines on the one hand, if pressing somewhat too restrictively on senders of messages on the other.

In selecting words for Telegraph Codes merchants endeavour to weed out those too nearly alike one to the other: that is, words which through bad writing or carelessness may be mistaken one for the other or mutilated as well as those which have nearly the same telegraphic signals. Now, if 1,000 words of say 7 letters are taken from any dictionary and also 1,000 words of 10 letters, it will be found that the rejections out of the 7 letter words are much larger than out of the 10 letter words. No firm with a business of any extent to the East can get on without a code of at least 15 to 20,000 words, so that undoubtedly the tendency of Code

words is necessarily thus towards a high average. The telegraph lines therefore must take into account that in Code words the 10 letter limit will on the average be nearly approached and fix their tariff according to what their experience shows them the average length of messages code and non-code, with a 10 letter limit is over a period. They have now had nearly three years experience of this. The question of the rate per word is not one for merchants. The telegraph lines to the East are worked very efficiently, and no one expects that they will be carried on at a loss to their shareholders. The following considerations, however, may perhaps be found useful on this question. Our daily experience shows that there are three different kinds of telegram :—

(*a.*) What may be called "Necessary Telegrams;" that is, about business or events arising which must be telegraphed about; for these Codes are at their best sometimes no help at all and often only a partial help. Circumstances are continually arising which no Codes can provide for, and the more urgent and important the matter the more explicit the message must be.

(*b.*) What we call "Information Telegrams" principally for market information, statistics, &c. It is for these that Codes are for the greatest benefit, and although they practically give the merchant a low tariff for each item or quotation still they tend to an increase of revenue to the telegraph lines. Of this we select the two following practical instances . . . . .

These two instances will show the tendency of a low tariff with this class of messages to increase the revenue of the telegraph lines. Merchants will always pay more for their own exclusive market information, but when this costs beyond a certain amount then they will either subscribe to Reuter's scheme, or several of them club among themselves for a regular telegram addressed to one but communicated on receipt to all and the expense shared among them. This subscribing to Reuter or clubbing otherwise is what a high tariff or what comes to the same thing, restricted cipher's directly encourages and its tendency therefore is greatly to diminish the revenue of the lines.

(*c.*) What we will call "Telegrams Depending on the Cost." Cases daily occur where the question arises, "is it worth while telegraphing about this?" "Shall we write or telegraph?" "Shall we telegraph or leave it to themselves?" "Is it worth while having an answer by wire or shall we wait for the Mail?" and these questions are usually determined by the cost of the message. If we happen to have a Code phrase on phrases suitable to the case a message is generally sent. If not, it is not sent.

Therefore, practically, the effect of a full tariff combined with a free selection of Code words is to give the telegraph lines the benefit of their full tariff for the messages which we have called "Necessary Messages," and for the other two classes of messages,

the free selection of Code words gives *both the merchants and the telegraph lines* the benefit of what is equivalent to a low tariff. In this respect the interests of both are identical. It should also be borne in mind that as a rule those who send the greatest number of Code messages are also those who send the greatest number of non-Code ones.

Telegraph officials usually are so inimical to Codes of every kind that it was a real pleasure to us to read the broad and liberal views of this matter, expressed in your letter, and we believe the remarks we have just made will tend to support the conclusion at which you have already arrived, that the use of Code should be encouraged by the administrations.

2. *Mr. Whitelaw's Words.*—As just mentioned what merchants want are ciphers not too nearly alike the one to the other, and it is also a great object to get a large number into a small space so as more readily to decipher words mutilated in transmission. This Mr. Whitelaw's scheme does *in what we believe to be the only legitimate way in which it can be done.* For the rule that "any affix for the name of a place may be attached to any proper name or any descriptive adjective" is as clearly a usage of the language as the practice of adding "er" or "est" to adjectives, as strong, stronger, strongest, or of adding "ed" to verbs or "s" for the plural and possessive case. Indeed, the usage with reference to place affixes is the oldest of all, for those learned in these matters tell us that *er* and *est* are only contractions of the separate words more and most (we have a survival of the old practice in hindmost), and it is not so long ago since our ancestors wrote "we love did," "John his hat," for what we now contract to "he loved" and "John's hat." Mr. Whitelaw's work therefore rests on what is the oldest and most widespread of all literary usage.

Since receipt of your letter we have analysed Whitelaw's combinations, and the following carefully checked statement shows the exact average length of his words :—

	English.	German.	Hindi.
Words of 5 letters	19	6	...
„ 6 „	219	55	36
„ 7 „	1,516	397	438
„ 8 „	5,721	2,711	3,558
„ 9 „	13,867	9,304	11,846
„ 10 „	14,958	14,427	20,922
	36,300	26,900	36,800
Average	9·15	9·39	9·44
Average of the whole	9·33		

It will be seen from the foregoing that the English words average least; the Hindi most. The English Post Office expressed a great dislike to the Hindi words probably because they are not accustomed to them, and we understand Whitelaw offered to have the work revised by omitting the Hindi entirely and confining it, if possible, to English only if no objection were taken to its principle. When the work was first prepared we are informed the main object kept in view was "words not too nearly alike;" the other object of "as short words as possible" was not thought of. But if the

work were revised keeping both objects in view very probably an average of considerably under 9 letters would be attained.

Every word in Whitelaw's prefixes is either an adjective or a proper name in actual use, and every word in his affixes an actual affix in use for the name of a place. But a great part of his combinations, it may be said, do not represent actual places. The answer to this is that there is every difference between a fictitious word and an illegitimate word. Fictitious words, if formed in accordance with the principles of the language especially for names of places, have everywhere been recognized as legitimate in literature so long as it has existed. But before it could positively be asserted that any one of Whitelaw's combinations is not actually in use, a complete gazeteer of all the local names in England, Scotland, Ireland, the United States, Canada, Australia, Hindostan and all German speaking places would have to be referred to, and no such complete gazeteer, or series of gazeteers, exist any where.

3. *Illegitimate Words.*—We entirely concur in the view that these should not be accepted by the telegraph lines. The instances you give of "wire answer," "send reply," are quite against the usage of our language, which does not admit of the combination of verbs either with their object or subject. It appears to us that if a properly constructed scheme such as Whitelaw's were recognised, so far would it be from sanctioning and encouraging such practices as you seem to fear that it would remove the temptation to use these spurious words, because undoubtedly they do fill up the need that merchants experience of a large number of ciphers in a small space.

Further, we think with you that words in actual use which are exceptions to a general rule of word-formation cannot be regarded as establishing a rule for like exceptions. The instance you mention of the flower "forget me not" is one of these, so also the scent "kiss me quick." They are only *licenses* not rules when Dickens framed his word "Eatanswill" (eat and swill), and Scott his word "Dryasdust" (dry as dust), they took a similar license, but when they formed the words "Muggleton," and "Gandercleugh" they went by established rules. "Atonement" is another word of exceptional origin, two Saxon words and a Latin affix, at-one-ment., quite contrary to all rule. Such words can only be taken because they are in use not because they are in accordance with usage.

The phrase you mention "remember me" could not be combined by English usage, but curiously enough it is the practice in Italian to combine these pronouns with the imperative of the verb: as rispondetemi, answer me, &c. One language thus admits of combinations which another does not and this distinction should be kept up. Your reference to Liverpool, we think, would be explained by considering "Liver" as a colour. We have "Blackpool" in the same way.

4. In present circumstances what we suggest is that Whitelaw's Code, as it is, be recognized, while the present St. Petersburgh rules last, that if the Conference in July makes no alteration in the present rules, then Whitelaw revise his Code in accordance with the proposal he has already made to the Post Office selecting the shortest words he can find and replace the copies now in use with

the new edition. Further, we believe, that it will both be for the interest of the telegraph lines and the mercantile community that no alteration be made in the present St. Petersburg Rules, but we think that a very practical arrangement as to word-combinations would be something like the following :—

That all words and word combinations formed in accordance with the usage of the language to which they belong be accepted, but when such words as are not contained in the ordinarily accessible Dictionaries, Directories, and Gazeteers or other works recognized from time to time by the telegraph authorities as containing words or word combinations in accordance with usage (all which works the telegraph authorities should be bound to recognize), be presented for transmission, it will be obligatory on the sender to satisfy the telegraph clerk that the words in question are proper and legitimate words. Failing this the message may be refused or a double tariff charge for the words in question.

We think such a rule as this would entirely protect the telegraph lines from spurious words, and we throw it out as a suggestion for consideration.

LONDON, *7th May* 1878.

Major J. U. BATEMAN CHAMPAIN, Director-in-Chief, Indo-European Government Telegraph Department, to JAMES FINLAY & Co., Glasgow.

I have to thank you for your very clear and valuable statement, dated the 30th April. I wrote you a short note explaining why I was unable to reply at once.

You divide your remarks under four heads which I will, with your permission, take in order.

With all you say under head 1, I so cordially agree that I will merely observe that I have no reason to suppose the ten-letter limit now in force will be altered. As I hinted in my former communication suggestions for a letter tariff were tentatively put forward, but met with little encouragement, and the great majority of the administrations are, I am persuaded, averse from any change. I should myself deprecate it on many grounds, one of which would be that it would lead to a complete revision of all the codes in use and entail great inconvenience and loss on the mercantile houses which use our wires. Your analysis of the different kinds of telegram is interesting and instructive.

Under head 2 you refer to Mr. Whitelaw's Code, and were the question under discussion a philological one, I don't think I would presume to carry on the argument. Every one of Whitelaw's combinations might no doubt be a perfectly correct name of a place, infinitely superior to many of the barbarous compounds used to christen the new towns and villages which daily spring up in America and the Colonies. But the question is, I submit, not what might be, but what is. Were I a telegraph clerk and were one of Whitelaw's messages handed to me, I should accept it without question, presuming that the place mentioned did exist. But if when you offered the message you gratuitously informed me that the names were freshly coined and not bona fide names of

existing places, I should, under the strict interpretation of the convention rules be right in declining to forward them, at least that is my view of the case.

As regards your remarks under 3 (on illegitimate words) they are no doubt strictly correct, but it would be impossible to expect that an ordinary telegraph clerk would be acquainted with the rules which ought to prevail even as regards his mother tongue.

"Rispondetemi" is an example of what is meant by the Convention Rule as to "usage of a language," except for the ten letter limit it would be distinctly one word because it is the practice in Italian to join answer and me together. In English it would not be allowed.

I hope you will not think me very obstinate if I say that I am still of opinion that Whitelaw's Code which coins combinations of parts of words, however correct by linguistic law, is not admissible under the Code as it stands. But for my part I would never press the application in such a case of rules which are manifestly arbitrary and imperfect.

I think it might be well to effect a kind of compromise and strike out the Hindi portion. If Mr. Whitelaw will agree to this, I believe I can get permission from the India Office to plead the case with the Post Office authorities and induce them to waive the objection. The Eastern and Indo-European Companies would, I am sure, agree, and so the Code could be in force by mutual consent on the lines to India without our entering into a long correspondence with the object of changing the International regulations. I make this suggestion because (as you may have heard) the Telegraph Conference has been put off until June 1879.

I understand that I have lately been appointed to the charge of the Indian Telegraphs, retaining at the same time control of this department, and I shall probably have to leave England very shortly. If at any future time you or other gentlemen interested in telegraph matters, should see occasion for making any fresh suggestions, I shall be very glad to receive them and will do all I can to meet your views.

GLASGOW, 10*th May* 1878.

JAMES FINLAY & Co., Glasgow, to Major J. U. BATEMAN CHAMPAIN, Director-in Chief, Indo-European Government Telegraph Department.

We are in receipt of your favour of 7th instant, and beg to return you our best thanks for the kind consideration which you have given to our letter of 30th ultimo. We notice with much interest that the ten-letter limit is not likely to be altered, and also that the Conference has been put off till June 1879.

As regards Mr. Whitelaw's words we have no doubt he will see his way to re-issue his work in English and German only and that he will do all he can to make the words as short as possible.

LONDON, 20*th May* 1878.

Major J. U. BATEMAN CHAMPAIN to D. WHITELAW, Esq., 43, Fleet St., London.

I have been in communication with Mr. Patey at the Post Office on the subject of your Code, and although he thinks with me that it is constructed on a principle not contemplated by the Convention Rules, yet I believe that he like myself would not prohibit its employment unless special objections were forced on our notice. But Mr. Patey showed me some letters penned by the Secretaries of some of the Telegraph Companies in which your system was decidedly opposed; I made an appointment with one of these gentlemen and was unable to induce him to accept my views of what might be done.

I must therefore leave you to take such further action as you think desirable with a view to the acceptance of your Code by the Companies working the lines to India. I can only say that according to the view I now take I shall not, if appointed to the charge of the Indian Department, object to your method unless the objection be forced on me from outside. I believe Mr. Patey would be inclined to act in a similar way, but I do not think either of us could maintain that the Code is, strictly speaking, admissible.

APPENDIX DD.

THE COTTON FRAUDS ACT.

THE following Act of the Governor of Bombay in Council received the assent of His Excellency the Governor on the 24th September 1878, and the assent of His Excellency the Governor General on the 11th November 1878, and is published for general information :—

BOMBAY ACT No. VII. OF 1878.

An Act to amend the law for the prevention of adulteration of Cotton and for the suppression of fraudulent practices in the Cotton Trade.

WHEREAS it is expedient to amend the law for the prevention of adulteration of cotton, and for the suppression of fraudulent practices in the cotton trade ; It is enacted as follows :—

Preliminary.

Short Title. 1. This Act may be cited as "The Bombay Cotton Frauds Act, 1878."

Extent. It extends to the whole of the Presidency of Bombay except Aden.

Repeal of Bombay Act IX. 1863. 2. Bombay Act IX. of 1863 is hereby repealed.

All appointments made, orders issued, notifications published, and rules prescribed under the said Act, and now in force, shall, so far as they are consistent with this Act, be deemed to have been respectively made, issued, published, and prescribed here-under.

And all proceedings which have been commenced under the said Act shall be deemed to have been commenced under this Act, and shall hereafter be conducted in accordance with the provisions of this Act, provided that no persons shall be liable for any offence committed before the passing of this Act to a higher penalty than he would have been liable to if this Act had never been passed.

Interpretation Section. 3. In this Act, unless there be something repugnant in the subject or context,

"Bale." (1) "Bale" includes a dockra or any other package of cotton ;

"Press." (2) "Press" includes every kind of machinery used for the purpose of compressing cotton ;

"Foreign Export." (3) "Foreign export" means export out of British India ;

"British India." (4) "British India" means the territories for the time being vested in her Majesty by the Statute 21 and 22 Vic., Cap. 106 (*An Act for the better Government of India*) other than the Settlement of Prince of Wales Island, Singapore, and Malacca ;

"Imprisonment." (5) "Imprisonment" means imprisonment of either description within the meaning of the Indian Penal Code.

Appointment and duties of Officers.

4. The Governor in Council may appoint such and so many officers, to be styled "Inspectors of Cotton," as shall from time to time appear expedient;

Inspectors of Cotton.

the said Inspectors shall be subordinate, in the city of Bombay, to the Commissioner of Customs, and in all other parts of the Presidency to the Collector of the district in which they hold their appointments, or in which they are at the time employed, and shall be liable to suspension or dismissal by order of the Governor in Council for neglect, or misconduct, in the discharge of their duties.

5. It shall be the duty of the Inspectors of Cotton to suppress the use of presses which have not been licensed under this Act, and to examine cotton offered for compression, or exposed or intended for sale.

Duties of Inspectors.

In the execution of the said duty it shall be lawful for an Inspector of Cotton at all times to enter any building, or enclosure, within which he has reason to believe that any press is at work, or is prepared for work, or that the packing of cotton in dockras is being carried on.

Power to enter buildings or enclosures.

6. It shall be lawful for an Inspector of Cotton to seize and detain any cotton, wherever the same may be, which he has reason to believe is liable to confiscation under this Act, and to give the same into the custody of any police officer:

Power to seize cotton.

every police officer shall be bound to assist an Inspector of Cotton in seizing and detaining such cotton;

Police Officers bound to assist.

but it shall not be competent to any Inspector of Cotton, unless under a Magistrate's search-warrant, to open any bale which has been finally pressed for foreign export.

Proviso.

7. Every Inspector who shall seize and detain any cotton under this Act shall, within seven days from the date of such seizure and detention, apply for and obtain a summons from a Presidency Magistrate in the city of Bombay if such seizure and detention shall have taken place in that city, but if elsewhere then from a First or Second Class Magistrate, directed to the person in whose possession the same was found, and requiring him, upon a day therein named, to show cause why such cotton should not be confiscated. If such Inspector shall not apply for and obtain such summons within the time aforesaid, such cotton shall be returned to the person in whose possession the same was found, and shall not be liable to re-seizure or detention.

Inspector seizing cotton to apply for summons.

8. Every Inspector of Cotton shall have such number of subordinates as the Governor in Council from time to time directs, and it shall be lawful for such subordinates to exercise such of the powers conferred by this Act on an Inspector as the Inspector to whom they are subordinate may from time to time by writing under his hand depute them to exercise.

Subordinates and their powers.

Press Licenses.

9. No press shall be used for the purpose of compressing cotton without a license obtained in the manner hereinafter prescribed.

Presses not to be used without Licenses.

10. Every application for a license for working a press shall be made to the Collector of the district within which such press is to be worked, or to such other officer as the Governor in Council directs, and shall be accompanied by a written statement of the power which it is intended to employ in working the said press.

Grant of licenses.

The Collector or other officer may, if he is satisfied that the applicant is in possession of the press for which the license is applied for, grant him a license; the license so granted shall expire on the 1st day of January of the next ensuing year, but subject to such rules as may from time to time be prescribed by the Governor in Council in this behalf, shall be renewable from year to year on the first day of January; and upon the removal to another locality of a press included in any license, or renewed license, so granted, or upon change of the power employed for working the same, it shall be necessary for the licensee to apply to the Collector or other officer for a new license.

The Collector or other officer may, for reasons which he shall give to the applicant in writing under his signature, refuse to grant or to renew any such license.

11. Every such license may be for one or more presses, and shall specify:

License what to contain.

(*a*) the number of presses for which it is granted,

(*b*) the locality in which the said presses are situated,

(*c*) the power to be employed for working the said presses;

and for every such license a fee shall be levied at the rate set forth in the Schedule to this Act annexed.

License Fee.

12. It shall be incumbent on every applicant for any such license to lodge with the Collector, or other officer aforesaid, a pattern on cloth, parchment, or paper of the press-mark which it is intended to use at the press for which a license is applied for.

Press-marks.

Every press-mark shall consist of some distinctive mark, not less than one foot square in size, or of the applicant's name, or of the name of his firm or company, in letters not less than one inch and a half long, which letters, for any press in the city of Bombay, must be in the English language.

Every press-license granted under this Act shall be deemed to be also a license for the use, at the press for which it is granted, of the press-mark of which a pattern has been lodged under this section with the Collector or other officer; and the licensee shall be bound to mark the wrapper underlying the fastenings or bands of every bale compressed by the said press, or cause the same to be marked with the said press-mark.

13. Any Magistrate or Court before whom, or which, a licensee is convicted of an offence under Section seventeen of this Act, or before whom a licensee, or any servant or

License may be cancelled or suspended.

agent of a licensee, is convicted of offering obstruction to an Inspector of Cotton, or to any of his subordinates, in the execution of their duty, may cancel such licensee's license, or direct that it be suspended for such period as he or it deems fit.

Penalties, Offences and Prosecutions.

Penalties when cotton is found to be fraudulently adulterated or mixed.

14. If, upon the hearing of the summons issued under Section seven of this Act, the Magistrate or Court be satisfied that any cotton seized and detained under the provisions of Section six of this Act—

(*a*) has been fraudulently or dishonestly adulterated or deteriorated or increased in weight by mixing therewith seed, dirt, stones or other foreign matter, or by exposing it to dew or by any other means, or

(*b*) that such cotton is a mixture fraudulently or dishonestly made of cleaned and uncleaned cotton (commonly called kapás), or of different varieties or qualities in one bale,

the Magisterate or Court shall order—

that such cotton be confiscated, and destroyed, or

that such cotton be confiscated, cleaned and sold, or

that such cotton be cleaned by or under the direction of the Inspector of Cotton, and that such Inspector do return such cotton when so cleaned to the person in whose possession the same was found, upon payment by him of the expenses of cleaning such cotton together with such fine as such Magistrate or Court shall direct; and that in default of such payment such cotton be sold, and the proceeds thereof, after deducting such fine and the expenses of cleaning and sale, be paid to such person as aforesaid.

Penalty for using a press without a license.

15. Whoever knowingly uses, or attempts to use, any press for the compression of cotton, or causes, or permits the same to be used, without previously obtaining a license, or a renewed or new license, in accordance with the provisions of this Act, or after any such license has been refused, or cancelled, or during the period for which the same is suspended, shall be punished with fine which may extend to one thousand rupees.

Penalty for counterfeiting press-mark,

16. Any person who knowingly counterfeits any press-mark which any other person has been licensed under this Act to use, or

and for using unlicensed press-mark,

who marks any bale, or causes or permits the same to be marked, with a press mark which he is not licensed to use,

shall be punished with imprisonment for a term which may extend to two years, or with fine, or with both.

Penalty for neglect to mark bale with press-mark.

17. Any licensee who neglects to mark any bale compressed at his press with the press-mark which he is licensed to use, or to cause the same to be so marked, shall be punished for every such neglect with fine which may extend to one hundred rupees.

Cognizance of offences.

18. All proceedings and offences under this Act shall be cognizable, subject to the provisions of any law for the time being in force for the trial of offences, by a Presidency Magistrate in the city of Bombay, and elsewhere by any Criminal Court exercising powers not interior to those of a Second Class Magistrate : Provided always that no person shall be proceeded against on account of any such offence except by summons on information laid by an Inspector of Cotton or some other person.

Proof of fraudulent intention.

19. It shall not be neccessary in any proceeding for any offence under this Act to prove an intent to defraud any particular person.

Recovery of fines.

20. The provisions of Sections sixty-four to seventy, both inclusive, of the Indian Penal Code, shall apply to all fines imposed under this Act ; and all such fines shall be recoverable in the City of Bombay in the manner prescribed by Act IV. of 1877 (The Presidency Magistrates Act) or any other Act for the time being in force regulating the Police of the city of Bombay.

Miscellaneous.

Fees leviable on certain cotton.

21. A fee at such rate, not exceeding two annas, as the Government from time to time direct by notification in the *Bombay Government Gazette*, shall be levied upon every bale of cotton not belonging to the Government exported from any part of the Presidency of Bombay to any port or place other than a port or place in British India.

Persons interested in cotton seized not affected in their civil rights and may recover expenses, &c., in consequence of seizure.

22. Nothing in this Act shall affect the civil rights of any person in any manner interested in any cotton confiscated or ordered to be cleaned and sold under the provisions of this Act ; but every such person shall have the same right of action as if this Act had not been passed, and all fines, cleaning and sale charges paid, and legal and other expenses and losses incurred and sustained in consequence of the seizure and detention of such cotton and consequent thereon, shall be part of the damages recoverable in such action.

SCHEDULE (*See Section* 11).

(*Table of Fees leviable for Press Licenses*).

For every press for which the license is granted which is to be worked by manual labour alone.	Rs.	1	0	0
Do. do. by animal or manual labour alone.	,,	2	0	0
Do. do. by steam or other power	,,	5	0	0

By order of His Excellency the Hon'ble the Governor in Council,

JOHN NUGENT,
Under Secretary to Government.

Bombay Castle, 19th November 1878.

APPENDIX EE.

REMISSIONS AND REDUCTIONS OF CUSTOMS DUTIES.

Alterations since November 1877.

Date of Resolution of Government of India.	Date of Custom House Notification.	Articles.	Nature of Alterations.	Remarks.
.....	2nd Nov. 1877..	IRON WIRE NAILS, IRON TACKS and BRADS, and TINNED (Galvanized) IRON NAILS and TACKS. ...	It being ascertained to be the practice at Calcutta (vide Mr. Maclean's letter No. 2475 of 29th ultimo) to charge Iron Wire Nails, Iron Tacks and Brads and Tinned (Galvanized) Iron Nails and Tacks at 1 per cent. *ad valorem* under item No. 35 of the Import Tariff, as "Nails other sorts," it was ordered that the same practice should be followed here.	
16th Nov. 1877.	18th Dec. 1877.	ALOE WOOD	To be charged in future with duty on Import under the head of Drugs and Medicines.	
.....	29th Dec. 1877.	SALT DUTY	The Customs duty on Salt raised from rupee one and annas thirteen to rupees two and annas eight with effect from the 28th December 1877.	
3rd Jan. 1878...	23rd Jan. 1878..	EUROPEAN SAIL CANVAS made of flax, and not exceeding forty yards in length ...	To be charged at the rate of 5 per cent. on the Tariff valuation of Rs. 15 per bolt, and all other Canvas, whether made of flax, or of hemp, or of a mixture of flax and hemp, to be taxed *ad valorem* under item 21 (Flax and articles made of flax—all other sorts).	

			or item 26 (hemp and articles made of hemp—all other sorts), or under item 37 (Naval Stores not otherwise described) of the schedule, the provisions of section 5 of the Tariff Act being applied in the case of mixed materials. Similarly Country Canvas, when made of cotton only, should be taxed at 5 per cent. on the Tariff valuation of Rs. 50 per cent. under item 16, and Country Canvas not made purely of cotton should be taxed *ad valorem*. The present practice in the Bombay Custom House where all Canvas suitable for sails is taxed at 5 per cent., on the valuation of Rs. 15 per bolt under item 21 of the schedule, is therefore incorrect.
2nd Feb. 1878..	7th Feb. 1878...	BOXES or PARCELS intended for private or official use on board of ships of H. M.'s Navy which arrive in Bombay ...	Need not in future be treated as Manifested Cargo for inclusion in the Statistical Returns, but may be passed on board the vessel, for which they are intended or which is to convey Naval Officers to their destination, on the Deputy Commissioner's order without documents, the Manifest of the Importing Vessel being cleared with a note to the effect that this has been done.
1st Feb. 1878.	11th Feb. 1878.	UNFERMENTED TODDY ...	The importation of unfermented Toddy into the City of Bombay by sea, with effect from the 1st February 1878—prohibited.
19th Mar. 1878.	20th Mar. 1878.	BRUSHES, all sorts ... BUILDING and ENGINEERING MATERIALS ... ... CABINET WARE and FURNITURE	Notification dated 18th March 1878 exempting these goods from all Import Duty. The Notification to take effect from 20th March 1878.

Date of Resolution of Government of India.	Date of Custom House Notification.	Articles.	Nature of Alterations.	Remarks.
19th March 1878	20th March 1878	CANDLES	Notification dated 18th March 1878, exempting these goods from all Import Duty. The Notification to take effect from 20th March 1878.	
		CANES, RATTANS, ARTICLES made of Cane or Rattan, and Basket-work		
		CARRIAGES and component parts thereof		
		CHEMICAL PRODUCTS and Preparations		
		COIR & ARTICLES made of Coir.		
		CORDAGE and ROPE made of any Vegetable fibre ...		
		COTTON, RAW		
		COTTON GREY PIECE GOODS, viz :—		
		T. Cloths under 18 reed, Jeans, Domestics, Sheetings and Drills, shown to the satisfaction of the Customs-Collector, whose decision shall be final, to be of the dimensions, weights, counts and qualities now generally known under those descriptions, and to contain no Yarn of a higher number than 30s.		
		COTTON TWIST :—		
		Mule No. 32 and lower numbers		
		Water No. 20 and lower numbers		
		FLAX and ARTICLES made of Flax		
		FRUITS and VEGETABLES ...		
		HEMP and ARTICLES made of Hemp		

		HIDES and SKINS... ...	Notification dated 18th March 1878, exempting these goods from all import Duty. The Notification to take effect from 20th March 1878.
		INSTRUMENTS and APPARATUS, except Musical ...	
		LEATHER and ARTICLES made of Leather including Boots, Shoes, Harness and Saddlery...	
		MATS	
		MILITARY and other Uniforms and Accoutrements ...	
		NAVAL STORES	
		OILS	
		OIL and FLOOR-CLOTH ...	
		PAPER, viz :—Wall-paper ...	
		PIECE GOODS made of Jute...	
		PIPES and other Implements used in the Consumption of Tobacco.	
		PITCH, TAR, and DAMMER...	
		RAILWAY MATERIALS ...	
		SEEDS	
		SOAP	
		TOILET REQUISITES ...	
22nd Mar. 1878.	29th Mar. 1878.	THE NEW OPIUM ACT I. of 1878	To come into force in the Territories adminstered by the Government of Bombay in Council with effect from the 1st April 1878.
19th April 1878.	25th April 1878.	OPIUM imported into the Presidency of Bombay. ...	Duties at the following rates to be levied on Opium imported into the Presidency of Bombay :— 1. Opium which has passed the Government Scales at Indore, Udhaipoor, Ujein, Rutlam, Dhar, Jowra, or Ahmedabad—Rs. 650 for each chest of 140 lbs. (Net weight). 2. Opium which has passed the Government Scales at Ajmere—Rs. 675 for each chest of 140 lbs. (Net weight.)

Date of Resolution of Government of India.	Date of Custom House Notification.	Articles.	Nature of Alterations.	Remarks.
24th April 1878.	3rd May 1878...	COTTON TWIST ...	... Exemption of Cotton Twist from Import Duty, sanctioned by Notification No. 43, dated the 18th April 1878, appliable only to Grey Twist of the numbers there specified.	Published at page 228 of the Bombay *Government Gazette*, Part I., dated 28th March 1878.
4th July 1878.	17th July 1878.	CHINA GOLD LEAF.	... The Customs officers in British Burma directed to levy duty in future on all Gold Leaf imported in books and used for gilding, whether brought from Europe, China, or other foreign countries. China Gold Leaf of this kind should be charged under item 35, "Metals all other sorts" of the Tariff, and it should, like European Gold Leaf, be entered under the head "Metals" (unenumerated) in the Trade Returns. The article should never have been exempted from duty, and the Government of India did not intend by their letter No. 481, dated the 16th July 1863, in the Foreign Department (quoted in Resolution No. 601—604, dated the 31st December 1877), that it should be exempted. The article referred to in the correspondence mentioned in the Resolution should continue to be passed free as at present, being treated as Bullion: that article is also commercially known as "China Gold Leaf," and it is properly passed free in Calcutta and Bombay as Bullion, but it is gold imported in sheets of a thickness which preclude their being used for gilding without undergoing a further process of manipulation, and it is chiefly imported in the manufacture of jewellery.	

19th July 1878.	20th July 1878.	FIXED RATE at which Opium will be issued from all Government Depots	On and after the 1st August next, and until further intimation, Opium will be issued from all Government Depots in the Presidency of Bombay, including Sind, at the fixed rate of Rs. 925 per half chest of 70 lbs. avoirdupois and Rs. 13-3-6 per lb. avoirdupois, for fractional parts of half chests.
12th Sept. 1878.	17th Sept. 1878.	DUTY ON ALL STILL WINES.	Duty on all Still Wines reduced to one rupee per imperial gallon.
19th Sept. 1878.	24th Sept. 1878.	DISPENSING with the levying of one rupee, on any document, after it has been entered and recorded in the Custom House, being amended	"Doubts have arisen as to the interpretation of the terms of Section 201 of the Sea Customs Act VIII. of 1878, which provides that 'the Customs Collector may in his discretion, upon payment of one Rupee, authorize any document, after it has been entered and recorded in the Custom House, to be amended.' This section reproduces the last clause of Section 191 of Act VI. of 1863, the fee being limited to one rupee by the new Act, whereas under the old law it might have amounted to ten rupees. "2. It seems that the practice under the old law in some Custom Houses was to levy a fee or not, according to the discretion of the Collector. This is the view still held in Calcutta, and perhaps in some other Custom Houses. "Another interpretation of the section, however, and this is the interpretation which it appears has been adopted recently in the Bombay Custom House, is that the

Date of Resolution of Government of India.	Date of Custom House Notification.	Articles.	Nature of Alterations.	Remarks.
19th Sept. 1878.	24th Sept. 1878.	DISPENSING with the levying of one rupee, &c.—*Continued.*	law allows of the exercise of the Collector's discretion only in regard to permission to make an amendment; but that if such permission is given, the payment of the fee of one rupee must be insisted on. "3. It seems to the Governor General in Council that this is in fact the correct interpretation of the section. The law, as framed, does not extend any discretion to the payment of the fee, which follows necessarily on authority for the amendment being given, and it is only in regard to the authorization of an amendment that a discretionary power remains. "4. It has, however, been represented that the levy of the fee in every case without exception causes unnecessary hardship and annoyance, and as it is clear that the authority vested by law with the entire disposal of the revenue realised by such fees and which can also direct their refund, is competent to dispense with their payment, the Governor General in Council is pleased to authorize Customs Collectors to dispense with the payment of the fee in cases in which its enforcement is not considered necessary to check carelessness and prevent unnecessary trouble being given to Customs establishments. His Excellency in Council does not doubt that the discretionary power now vested in Customs Collectors will be wisely and liberally exercised, and the great importance of	

			maintaining, so far as may be possible, friendly relations between the mercantile community and the Customs establishments always borne in mind.
19th Sept. 1878.	24th Sept. 1878.	HOW DUTY to be LEVIED when alterations are made in the quantities entered in the papers presented by importers ...	Cases sometimes occur in which alterations are made in the quantities entered in the papers presented by importers, the actual quantity as ascertained by weighment being found to be less than the invoice weight. In all such cases duty should, of course, be charged on the quantities and qualities specified in the papers as amended, not as originally entered at the Custom House.

APPENDIX FF.

WEEKLY CURRENT QUOTATIONS as estimated by the Committee of the Chamber of Commerce during the Year 1878.

QUOTATIONS.	Week ending 5th January.	Week ending 12th January.	Week ending 19th January.	Week ending 26th January.	Week ending 2nd February.	Week ending 9th February.
EXCHANGE						
On England, Bank Bills Sight	1s. 8 1/16 d.	1s 8 3/4 d.	1s. 8 3/8 d.	1s. 8 5/8 d.	1s. 8 11/16 d.	1s. 8 3/4 d.
" " 3 m'ths' "	1s 8 5/8 d.	1s. 8 15/16 d.	1s. 8 7/16 d.	1s. 8 13/16 d.	1s. 8 15/16 d.	1s. 8 15/16 d.
" " 6 " "	1s. 9 1/16 d.	1s. 9 1/8 d.	1s. 9d.	1s. 9d.	1s. 9 to 1/16 d.	1s. 9 1/8 d.
First class Credits ...3 " "	1s. 9 to 1/16 d.	1s. 9 1/16 to 1/8 d.	1s. 8 15/16 to 9d.	1s. 9d.	1s. 9 to 1/16 d.	1s. 9 1/16 to 1/8 d.
" " 6 " "	1s. 9 1/4 to 5/16 d.	1s. 9 1/4 to 5/16 d.	1s. 9 1/8 to 3/16 d.	1s. 9 3/16 d.	1s. 9 1/16 to 1/8 d.	1s. 9 1/4 to 5/16 d.
Documents ... ...3 " "	1s. 9 1/16 to 1/8 d.	1s. 9 1/8 to 1/16 d.	1s. 9 to 1/16 d.	1s. 9 1/16 d.	1s. 9 1/8 to 1/4 d.	1s. 9 1/8 to 1/16 d.
" 6 " "	1s. 9 3/16 to 1/8 d.	1s 9 3/16 to 1/8 d.	1s. 9 3/16 to 1/4 d.	1s. 9 1/4 d.	1s. 9 1/4 to 5/16 d.	1s. 9 3/16 to 1/8 d.
Paris Francs Mercantile Bills ... ...3 " "	2·21 to 2·22	2·22	2·21	2·20 1/2 to 2·21	2·21	2·21 1/2
" " 6 " "	2·23 to 2·24	2·24	2·23	2·22 1/2 to 2·23	2·23	2·23 1/2
Bank Rate, Calcutta, on Demand.	100 1/8 to 100 3/16	108 1/8 to 100 3/16	100 1/8 to 100 3/16	100 3/16	100 1/8 to 100 3/16	100 1/8 to 100 1/4
House Bills, China, 60 days' Sight	219 Nominal.	219 to 220 Nl.	218 to 220 Nl.	218 to 220	218 to 219 Nl.	218 to 219 Nl.
RATES OF DISCOUNT.						
Bank Rate of Discount on Private Bills...	8 per cent.	8 per cent.	8 per cent.	8 per cent.	8 per cent.	8 per cent.
" on Government Bills	5 "	5 "	5 "	5 "	5 "	5 "
" of Interest on Demand loans on Govt. Securities	6 "	6 "	6 "	6 "	6 "	6 "
GOVERNMENT SECURITIES.						
Four per cents.	94 to 94 1/4	94 1/8 to 94 3/8	94 1/8 to 94 5/8	94 1/2 to 94 3/4	94 3/8	95
Four-and-a-half per cents. ...	94 1/8 to 94 3/8	94 3/4 to 94 7/8	94 5/8 to 94 3/4	94 3/8 to 94 7/8	94 3/4 to 94 7/8	95 to 95 1/8
Five-and-a-half per cents. ...	102 1/4 to 102 1/2	102 1/8 to 102 3/4	102 1/2 to 102 5/8	102 1/2 to 102 3/4	102 3/4	103
IMPORTS.						
PIECE GOODS—						
7lb. 40in. G. Shirtings (14×13)	Rs. 3·2 to 4·4	Rs. 3·4 to 4·4	Rs. 3·4 to 4·4	Rs. 3·2 to 4·4	Rs. 3·4 to 4·4	Rs. 3·2 to 4·4
8 1/4 lb. " (16×15)	" 3·12 to 5·4	" 3·10 to 5·6	" 3·12 to 5·6	" 3·12 to 5·4	" 3·12 to 5·5	" 3·12 to 5·4
3lb. 32in. Madapollams (13×11)	" 1·8 to 1·12	" 1·8 to 1·12	" 1·8 to 1·14	" 1·8 to 1·13	" 1·8	" 1·8 to 1·13
No. 40s Mule Twist, per lb. ...	As. 8 3/8 to 9	As. 8 1/4 to 9	As. 8 1/4 to 8 3/4	As. 8 1/4 to 8 3/4	As. 8 to 8 3/4	As. 8 to 8 3/4
No. 30s Water " " ...	" 8 1/4 to 8 7/8	" 8 1/4 to 8 3/4	" 8 1/4 to 8 3/8	" 8 to 8 1/4	" 8 to 8 1/4	" 8 to 8 1/4
Copper (Brazier), per cwt. ...	Rs. 47 1/2 to 48 1/2	Rs. 48 to 49	Rs. 47 1/2 to 49	Rs. 47 1/2 to 49	Rs. 47 1/2 to 48 1/2	Rs. 47 1/2 to 48 1/2

British Bar Iron (per candy) ...	Rs. 26 to 27	Rs. 26 to 27½	Rs. 26 to 27	Rs. 26 to 27	Rs. 26 to 27	Rs. 26 to 27
Davison's West Hartley (per ton) Landed.	„ 17	„ 17 to 18	„ 18¼ to 19	„ 18¼ to 19	„ 18 to 19½	„ 19 to 19½
Welsh Hartley (per ton) do.	„ 16	„ 15½ to 16½	„ 16½ to 17	„ 16½ to 17	„ 16½ to 17½	„ 17 to 17½
COTTON— EXPORTS.	Per candy.					
M. G. Broach (crop) 1877-78 FGF	Rs. 207/11 F.P. Jan. & Feb. dely.	207 F.P.	209/10 F.P.	205/07 F.P.	204/08 F.P.	204/05 F.P.
Hingunghaut „ „ Good	Rs. 213/14 F.P.	212/14 F.P.	212/14 F.P.	208/09 F.P.	207/08 F.P.	205/06 F.P.
Akote „ „ „	„ 204/05 F.P.	203/05 F.P.	203/4 F.P.	199/202 F.P.	195/97 F.P.	191/93 F.P.
Oomrawuttee „ „ FGF	„ 199/200 FP.	199/201 F.P.	198 F.P.	194/95 F.P.	188/90 F.P.	185/88 F.P.
Sawgd. Dharwar „ „ „	„ 198/202 FP. April delivery.	200 F.P. May delivery.	196 H.P. April-May delivery.	195/97 H.P. April-May dely.	195/96 H.P. April-May dely.	195/98 H.P. April-May dely.
Dhollera „ „ „	...	200 F.P. April delivery.	...	197/97 H.P. April-May dely.	194/95 H.P. April-May dely.	190/95 H.P. April-May dely.
„ „ „ G.F	...	194 F.P. April delivery.	...	...	...	...
„ „ 1876-77 F.	„ 186/88 H.P.	...	189 F.P.	184 H.P.	180/82 H.P.	180/85 H.P.
„ „ „ G.F.	„ 196 H.P.	...	...	...	...	...
Oomrawuttee „ „ „	None.	190 F.P.	194 F.P.	...	...	...
Hingunghaut „ „ „	„	None.	None.	...	...	...
Broach „ „ F.G.F.	„	204 F.P.	„	...	...	...
*** The Quotations are for Good selections.						
Linseed (per cwt.)	Rs. 6-5 to 6-6	Rs. 6-3 to 6-5	Rs. 6 to 6-3	Rs. 5-15 to 6-1	Rs. 6 to 6-1	Rs. 6 to 6-1
Rapeseed „	„ 7-9 to 7-11	„ 7-8 to 7-10	„ 7-9 to 7-10	„ 7-9 to 7-10	„ 7-8 to 7-10	„ 6-12 to 7-8
Wheat (White Pessy), per candy of 756 lb.	„ 40 to 41	„ 40 to 41	„ 39 to 40	„ 39 to 40	„ 38 to 39	„ 39 to 40
Opium (Malwa) (per chest) Old	„ 1560	„ 1550	„ 1565	„ 1565	„ 1575	„ 1585
„ „ „ New	„ 1550	„ 1545	„ 1560	„ 1560	„ 1565	„ 1565
FREIGHTS.						
Liverpool—Cotton, via Cape, (per ton=50 feet)...	...	...	...	£1-17-6 Nl.	£1-15	£1-15
„ Seed „ ...	...	...	...	£1-17-6	£1-15	£1-15
Overland London—Measurement cargo (per ton=40 feet)	£2 to 2-2-6	£2 to 2-7-6	£2-5 to 2-7-6	£2-5 to 3	£2-5 to 2-15	£1-15 to 2-7-6
Overland Liverpool—Cotton ...	£1-10 to 1-12-6	£1-13-9 to 1-15	£1-15	£1-15	£1-12-6 to 1-15	£1-15
„ Steamer, via Canal	£1-10 to 1-12-6	£1-15 to 1-17-6	£1-15	£1-12-6 to 2	£1-12-6 to 1-15	£1-12-6
Havre—Cotton via Canal (per ton)	...	...	£1-17-6	£1-12-6 to 1-17-6	£1-17-6 to 2-2-6	£1-17-6 to 2
Trieste „ „ „	...	...	£2-5	£2 to 2-7-6	£2-2-6 to 2-7-6	£1-17-6 to 2-7-6
Cuina, Steamer (per ton, 40 feet)	Rs. 20	Rs. 20	Rs. 12	Rs. 12	Rs. 18 to 20	Rs. 20

WEEKLY CURRENT QUOTATIONS for the Year 1878.—Continued.

Quotations.	Week ending 16th February.	Week ending 23rd February.	Week ending 2nd March.	Week ending 9th March.	Week ending 16th March.	Week ending 23rd March.	Week ending 30th March.
EXCHANGE							
On England, Bank Bills Sight	1s. 8⅝ to 1 1/16d.	1s. 8⅞ to 1 1/16d.	1s. 8⅞d.	1s. 8⅝ to 1 1/16d.	1s. 8¾d.	1s. 8 15/16 to ¾d.	1s. 8 15/16 to ⅞d.
,, ,, 3 m'ths' ,,	1s 8 13/16 to ⅞d.	1s. 9 1/16 to ⅛d.	1s. 9 1/16d.	1s. 8 13/16d.	1s. 8⅞d.	1s. 8 13/16 to 1 5/16d.	1s. 8 15/16 to 9d.
,, ,, 6 ,, ,,	1s. 9 to 1 1/16d.	1s. 9¼ to 5/16d.	1s. 9¼d.	1s. 9d.	1s. 9 to 1 1/16d.	1s. 9 to ⅛d.	1s. 9⅛ to 3/16d.
First class Credits ...3 ,, ,,	1s. 9d.	1s. 9 5/16d.	1s. 9 3/16 to ¼d.	1s. 8 15/16d.	1s. 9 1/16d.	1s. 9 to 1 1/16d.	1s. 9 1/16 to ⅛d.
,, ,, ...6 ,, ,,	1s. 9 5/16d.	1s. 9½d.	1s. 9⅜ to 7/16d.	1s. 9⅛d.	1s. 9 5/16 to ⅛d.	1s. 9 5/16d.	1s. 9¼ to 5/16d.
Documents ... ...3 ,, ,,	1s. 9 1/16d.	1s. 9⅜d.	1s. 9¼ to 5/16d.	1s. 9 to 1 1/16d.	1s. 9 1/16 to ⅛d.	1s. 9 1/16 to 1 5/16d.	1s. 9⅜ to 7/16d.
,, ...6 ,, ,,	1s. 9¼d.	1s. 9 7/16d.	1s. 9 7/16 to ½d.	1s. 9 3/16 to ¼d.	1s. 9¼ to 5/16d.	1s. 9¼ to 5/16d.	1s. 9 7/16 to ½d.
Paris Francs Mercantile Bills ... ...3 ,, ,,	2·21	2·24 to 2·25	2·22½ to 2·23	2·20½	2·21	2·20½	2·21 to 2·22
,, ,, ...6 ,, ,,	2·23	2·26 to 2·27	2·24½ to 2·25	2·22½ to 2·23	2·23	2·22½ to 2·23	2·23 to 2·24
Bank Rate, Calcutta, on Demand.	100⅜ to 100½	100½ to 100 5/16	100 3/16 to 100¼	100⅛ to 100 3/16	100⅛ to 100¼	100 5/16 to 100½	100⅛ to 100 5/16
House Bills, China, 60 days' Sight	218 Nominal.	218 Nominal.	218 Nominal.	218 Nominal.	218 Nominal.	218 Nominal.	218 to 19 Nl.
RATES OF DISCOUNT.							
Bank Rate of Discount on Private Bills...	9 per cent.	10 per cent.	10 per cent.	10 per cent.	10 per cent.	11 per cent.	11 per cent.
,, on Government Bills.	6 ,,	7 ,,	7 ,,	7 ,,	7 ,,	8 ,,	8 ,,
,, of Interest on Demand loans on Govt. Securities	7 ,,	8 ,,	8 ,,	8 ,,	8 ,,	9 ,,	9 ,,
GOVERNMENT SECURITIES.							
Four per cents.	93½ to 94	94½ to 94¾	94¼ to 94⅜	94⅜ to 94⅞	94¼ to 94½	93½ to 93¾	93½ to 93⅝
Four-and-a-half per cents. ...	93¾ to 94¼	94⅜ to 94⅞	94½ to 94¾	94⅜ to 95	94⅜ to 94⅝	93¾ to 94	93½ to 93¾
Five-and-a-half per cents. ...	102½ to 102⅞	103	102¾ to 103⅛	102⅞ to 103¼	103 to 103¼	103 to 103⅛	102¾ to 103
IMPORTS.							
Piece Goods—							
7lb. 40in. G. Shirtings (14×13)	Rs. 3-4 to 4-4	Rs. 3-4 to 4-4	Rs. 3-4 to 4-4	Rs. 3-4 to 4-4	Rs. 3-4 to 4-4	Rs. 3-4 to 4-4	Rs. 3-4 to 4-4
8½lb. ,, (16×15)	,, 3-12 to 5-4	,, 3-8 to 5-6	,, 3-12 to 5-4	,, 3-12 to 5-4	,, 3-8 to 5-4	,, 3-12 to 5-4	,, 3-8 to 5-4
3lb. 32in. Madapollams (13×11)	,, 1-8 to 1-13	,, 1-8 to 1-12	,, 1-8 to 1-12	,, 1-8 to 1-12	,, 1-8 to 1-13	,, 1-8 to 1-13	,, 1-8 to 1-13
No. 40s Mule Twist, per lb. ...	As. 8 to 8⅝	As. 8 to 8⅝	As. 8 to 8⅝	As. 8 to 8½	As. 8 to 8½	As. 8 to 8½	As. 8 to 8½
No. 30s Water ,, ,, ...	,, 8 to 8¼	,, 8 to 8¼	,, 8 to 8¾	,, 8 to 8⅝	,, 8 to 8⅝	,, 8 to 8⅝	,, 8 to 8⅝
Copper (Brazier) per cwt. ...	Rs. 47¼ to 48⅜	Rs. 47 to 47¾	Rs. 47 to 47¾	Rs. 47 to 47½	Rs. 47 to 47½	Rs. 47 to 47½	Rs. 47 to 47½
British Bar Iron (per candy) ...	,, 26 to 27	,, 25½ to 27	,, 25½ to 27	,, 25 to 27	,, 25 to 27	,, 25 to 27	,, 25 to 27

Davison's West Hartley (per ton) Landed.	Rs. 18 to 19	Rs. 18 to 19	Rs. 18 to 19	Rs. 17¼ to 18	Rs. 17½ to 19	Rs. 17 to 19	Rs. 18½ to 19½
Welsh Hartley (per ton) „	„ 16¾ to 17	„ 16¾ to 17	„ 17	„ 16 to 17	„ 16½ to 17	„ 16 to 17	„ 17¼ to 18
EXPORTS.							
COTTON—							
M. G. Broach (crop) 1877-78 FGF	„ 195/200 F.P	202/03 F.P.	199/204 F.P.	202/04 F.P.	202/06 F.P.	202/07 F.P.	198/202 F.P.
Hingunghaut „ „ Good	„ 196/200 F.P	202/03 F.P.	198/202 F.P.	203/05 F.P.	204/08 F P.	205/08 F.P.	205/08 F.P.
Akote „ „ „	„ 186/88 F.P.	189/91 F.P.	185/87 F.P.	189/90 F.P.	189/90 F.P.	189/91 F.P.	189/91 F.P.
Oomrawuttee „ „ FGF	„ 179/82 F.P.	183/85 F.P.	179/81 F.P.	184/85 F.P.	182/85 F.P.	182/84 F.P.	182/83 F.P.
Sawgd. Dharwar „ „ „	„ 190/94 H.P. Apl.-May del.	193/95 H.P. Apl.-May del.	188/94 H.P. April del.	188/93 H.P. Apl.-May del.	192/94 H.P. Apl.-May del.	191/93 H.P. Apl.-May del.	190/97 H.P. Apl.-May del.
Dhollera „ „ „	„ 185/88 H.P. Apl.-May del.	188/92 H.P. Apl.-May del.	185/90 H.P. April del.	188/90 H.P. Apl.-May del.	187/90 H P. Apl.-May del.	188/90 H.P. April del.	184/88 H.P. Apl.-May del.
„ „ „ G.F.	...	...	...	...	...	...	...
„ „ 1876-77 F.	„ 175 H.P.	175 H.P.	175 H.P.	175 H.P.	175 H.P.	170 H.P.	156 H.P.
„ „ „ G.F.	...	...	...	...	...	...	...
Oomrawutte „ „ „	...	...	...	...	...	...	...
Hingunghaut „ „ „	...	...	...	...	...	...	...
Broach „ „ F.G.F.	...	...	...	...	...	...	...
*** The Quotations are for Good selections.							
Linseed (per cwt.)	Rs. 6-1 to 6-2	Rs. 6 to 6-2	Rs. 6-1 to 6-2	Rs. 6-1 to 6-2	Rs. 6-2 to 6-4	Rs. 6-6 to 6-8	Rs. 6-7 to 6-8
Rapeseed „	„ 7-6 to 7-8	„ 7-4 to 7-8	„ 7-6 to 7-8	„ 7-8 to 7-10	„ 7-6 to 7-12	„ 7-9 to 7-12	„ 7-8 to 7-13
Wheat (White Pessy), per candy of 756lb.	„ 39 to 40	„ 37 to 39	„ 38 to 40	„ 38 to 39	„ 38 to 40	„ 38 to 40	„ 39 to 41
Opium (Malwa) (per chest) Old	„ 1575	„ 1570	„ 1565	„ 1565	„ 1580	„ 1590	„ 1665
„ „ „ New	„ 1550	„ 1545	„ 1545	„ 1540	„ 1550	„ 1570	„ 1630
FREIGHTS.							
Liverpool—Cotton, via Cape, (per ton=50 feet)...	£1-15 to 1-16-3	£1-15	£1-12-6 to 1-15	£1-7-6 to 1-15	£1-10 to 1-12-6	£1-10 to 1-12-6	£1-10
„ Seed „ ...	£1-15 to 1-16-3	£1-15	£1-12-6 to 1-15	£1-7-6 to 1-15	£1-10 to 1-12-6	£1-10 to 1-12-6	£1-7-6 to 1-10
Overland London—Measurement cargo (per ton=40 feet)	£2-2-6 to 2-7-6	£2-2-6 to 2-10	£2 to 2-7-6	£1-15 to 2-7-6	£2 to 2-7-6	£1-17-6 to 2-7-6	£1-7-6 to 1-10
Overland Liverpool—Cotton ...	£1-12-6	£1-11-3 to 1-12-6	£1-17-6 to 1-10	£1-7-6	£1-10	£1-7-6 to 1-10	£1-2-6 to 1-10
Overland Liverpool—Cotton, Steamer via Suez Canal.	£1-11-3 to 1-12-6	£1-11-3 to 1-12-6	£1-7-6 to 1-10	£1-7-6	£1-6-3 to 1-7-6	£1-7-6 to 1-10	£1-2-6 to 1-5
Havre—Cotton via Canal (per ton)	£1-15 to 2	£2 to 2-2-6	£1-17-6 to 2-2-6	£1-18-9 to 2-10	£1-17-6 to 2-2-6	£1-15 to 2	£1-7-6 to 2
Trieste „ „ „	£2-5 to 2-7-6	£2-2-6 to 2-7-6	£2-2-3 to 2-5	£2-2-6	£2-2-6	£1-18-9 to 2	£1-5 to 1-15
China, Steamer (per ton, 40 feet)	Rs. 20	Rs. 15 to 20	Rs. 15 to 20	Rs. 17	Rs. 17,	Rs. 17	Rs. 15

WEEKLY CURRENT QUOTATIONS for the Year 1878.—*Continued.*

Quotations.	Week ending 6th April.	Week ending 13th April.	Week ending 20th April.	Week ending 27th April.	Week ending 4th May.	Week ending 11th May.
EXCHANGE						
On England, Bank Bills Sight	1s. 8⅝d.	1s. 8⅝ to 11/16d.	1s. 8⅝ to 11/16d.	1s. 8⅝ to 11/16d.	1s. 8½d.	1s. 8½d.
„ „ 3 m'ths' „	1s. 8⅞ to 15/16d.	1s. 8 13/16 to ⅞d.	1s. 8 13/16d.	1s. 8¾ to 13/16d.	1s. 8⅝d.	1s. 8⅝d.
„ „ 6 „ „	1s. 9 1/16d.	1s. 9d.	1s. 9d.	1s. 8 15/16 to 9d.	1s. 8 11/16d.	1s. 8¾ to 1 1/16d.
First class Credits ...3 „ „	1s. 9 to 1/16d.	1s. 8 15/16d.	1s. 8 15/16 to 9d.	1s. 8 15/16d.	1s. 8¾ to 13/16d.	1s. 8¾d.
„ „ 6 „ „	1s. 9 1/16 to ⅛d.	1s. 9⅛d.	1s. 9⅛ to 3/16d.	1s. 9⅛d.	1s. 8 15/16 to 9d.	1s. 8 15/16 to 9d.
Documents ... ...3 „ „	1s. 9 1/16 to ⅛d.	1s. 9d.	1s. 9 to 1/16d.	1s. 9d.	1s. 8 15/16 to 7/8d.	1s. 8 15/16d.
„ 6 „ „	1s. 9¼ to 5/16d.	1s. 9 1/16d.	1s. 9⅛ to ¼d.	1s. 9 1/16d.	1s. 9 to 1 1/16d.	1s. 9d.
Paris Francs Mercantile Bills ... ...3 „ „	2·20½ to 2·21	2·20 to 2·20½	2·20 to 2·20½	2·20	2·18 to 2·19	2·18 to 2·18½
„ „ 6 „ „	2·22 to 2·23	2·22 to 2·22½	2·22 to 2·22½	2·22	2·20 to 2·21	2·18½ to 2·20½
Bank Rate, Calcutta, on Demand.	100⅛ to 100¼	100 1/16 to 100¼	100⅛ to 100 1/16	100 1/16 to 100⅛	100 1/16 to 100⅛	100 1/16 to 100⅛
House Bills, China, 60 days' Sight	218 Nominal	118 Nominal	218 Nominal	218 to 19 Nl.	219 to 20 Nl.	220 Nominal
RATES OF DISCOUNT.						
Bank Rate of Discount on Private Bills...	11 per cent.	11 per cent.	11 per cent.	11 per cent.	10 per cent.	9 per cent.
„ on Government Bills	8 „	8 „	8 „	8 „	7 „	6 „
„ of Interest on Demand loans on Govt Securities	9 „	9 „	9 „	9 „	8 „	7 „
GOVERNMENT SECURITIES.						
Four per cents.	93 to 93¼	93⅜ to 94	92¾ to 93	93⅜	93¼ to 93½	94¼ to 94½
Four-and-a-half per cents. ...	93⅜ to 93⅝	93¾ to 94	93 to 93½	93¾ to 94	93½ to 93¾	94½ to 94¾
Five-and-a-half per cents. ...	102¾ to 103	102¾ to 103	102½ to 103	102⅝ to 102¾	102¾ to 103	103 to 103½
IMPORTS.						
Piece Goods—						
7lb. 40in. G. Shirtings (14×13)	Rs. 3-4 to 4-4	Rs. 3-4 to 4-4	Rs. 3-4 to 4-4	Rs. 3-4 to 4-6	Rs. 3-4 to 4-4	Rs 3-4 to 4
8½lb. „ (16×15)	„ 3-12 to 5-4	„ 3-12 to 5-4	„ 3-8 to 5-4	„ 3-8 to 5-4	„ 3-8 to 5-4	„ 3-8 to 5
3lb, 32in. Madapollams (13×11)	„ 1-8 to 1-13	„ 1-8 to 1-13	„ 1-8 to 1-12	„ 1-8 to 1-12	„ 1-8 to 1-12	„ 1-9 to 1-11
No. 40s Mule Twist, per lb. ...	As. 8 to 8½	As. 8 to 8½	As. 8 to 8½	As. 8 to 8½	As. 8 to 8½	As. 8 to 8½
No. 30s Water „ „ ...	„ 8 to 8½	„ 8 to 8½	„ 8 to 8½	„ 8 to 8½	„ 8 to 8½	„ 8 to 8½

Copper (Brazier), per cwt. ...	Rs. 46¾ to 47½	Rs. 46 to 46¼	Rs. 46 to 46½	Rs. 46 to 47¾	Rs. 46½ to 47¼	Rs. 46½ to 47¼
British Bar Iron (per candy) ...	„ 25 to 27	„ 25 to 27	„ 25½ to 27	„ 25 to 27	„ 25 to 27	„ 25 to 26½
Davison's West Hartley (per ton) Landed.	„ 17¼ to 19½	„ 18 to 21	„ 24 to 28	„ 22 to 23	„ 23	„ 21 to 23
Welsh Hartley (per ton) do.	„ 16 to 18	„ 17 to 18	„ 22 to 25	„ 21	„ 20 to 21	„ 20 to 21
EXPORTS.						
COTTON—						
M. G. Broach (crop) 1877-78 FGF	„ 200/06 F.P.	198/203 F.P.	195/200 F.P.	190/98 F.P.	192/96 F.P.	195/98 F.P.
Hingunghaut „ „ Good	„ 206/08 F.P.	206 F.P.	203/06 F.P.	204/06 F.P.	201/05 F.P.	205/06 F.P.
Akote „ „ „	„ 189/190 F.P.	190/93 F.P.	191/92 F.P.	192/94 F.P.	190/93 F.P.	194/95 F.P.
Oomrawuttee „ „ FGF.	„ 182/84 F.P.	183/84 F.P.	183/85 F.P.	183/85 F.P.	182/83 F.P.	185/86 F.P.
Sawgd. Dharwar „ „ „	„ 184/97 H.P. April-May del.	198/200 H.P. May del.	198/200 H.P. May del.	194/98 H.P.	194/96 H.P. May del.	199/200 F.P.
Dhollera „ „ „	„ 187/90 H.P. April-May del.	190/93 H.P. April-May del.	192/94 H.P.	194/95 H.P.	193/94 H.P.	193/97 H.P.
„ „ 1876-77 F	„ 165/70 H.P.	165 H.P.	175 H.P.	175 H.P.	155 H.P.	...
*** The Quotations are for Good selections.						
Linseed (per cwt.)	Rs. 6-13 to 6-14	Rs. 6-14	Rs. 6-6 to 6-12	Rs. 6-7 to 6-8	Rs. 6-7 to 6-9	Rs. 6-8 to 6-9
Rapeseed „	„ 7-12 to 7-14	„ 7-12 to 7-14	„ 7-10 to 7-12	„ 7-10 to 7-11	„ 7-7 to 7-10	„ 7-6 to 7-7
Wheat (White Pessy), per candy of 756lb.	„ 39 to 41	„ 38 to 41	„ 39 to 40	„ 39 to 40	„ 39 to 40	„ 39 to 40
Opium (Malwa) (per chest) Old	„ 1675	„ 1710	„ 1733	„ 1785	„ 1782	„ 1800
„ „ „ New	„ 1635	„ 1660	„ 1700	„ 1750	„ 1753	„ 1775
FREIGHTS.						
Liverpool—Cotton, via Cape (per ton=50 feet)...	£1-5 to 1-10	£1 to 1.5	£1-5 to 1.15	£1-5 to 1-12-6	£1-5 to 1-8-9	£1-5 to 1-6-3
„ Seed „	£1-5 to 1-7-6	£1 to 1-2-6	£1-5	£1-5 to 1-12-6	£1-5 to 1-8-9	£1-5 to 1-6-3
Overland London—Measurement cargo (per ton=40 feet)	£1-15 to 2-5	£1-10 to 2-2-6	£1-10 to 2-5	£2-5	£2-5 to 2-7-6	£2-7-6
Overland Liverpool—Cotton ...	£0-17-6 to 1	£1-5	£1-15	£1-10 to 1-15	£1-12-6 to 1-15	£1-15
Overland Liverpool—Cotton Steamer via Suez Canal ...	£0-17-6 to 1	£1	£1-10 to 1-15	£1-10 to 1-12-6	£1-12-6 to 1-13-9	£1-7-6 to 1-10
Havre—Cotton via Canal (per ton)	£1-10 to 1-17-6	£1-5 to 1-15	£1-15 to 2	£1-12-6 to 1-17-6	£1-15 to 1-18-9	£1-15 to 2
Trieste „ „ „	£1-10 to 1-15	£1-5 to 1-15	£1-10 to 2	£1-15	£1-15	£1-12-6 to 1-15
China, Steamer (per ton, 40 feet)	Rs. 15	Rs. 15 to 17	Rs. 17	Rs. 17	Rs. 17	Rs. 17

WEEKLY CURRENT QUOTATIONS for the Year 1878.—*Continued.*

Quotations.	Week ending 18th May.	Week ending 27th May.	Week ending 6th June.	Week ending 13th June.	Week ending 20th June.	Week ending 27th June.
EXCHANGE						
On England, Bank Bills Sight	1s. 8 3/8 to 7/16 d.	1s. 8 3/8 d.	1s. 8 3/8 to 7/16 d.	1s. 8 7/16 d.	1s. 8 5/16 to 11/32 d.	1s. 8 1/4 to 9/32 d.
„ „ 3 m'ths' „	1s. 8 1/2 to 9/16 d.	1s. 8 1/2 d.	1s. 8 1/2 to 9/16 d.	1s. 8 9/16 d.	1s. 8 7/16 to 15/32 d.	1s. 8 5/8 d.
„ „ 6 „ „	1s. 8 11/16 to 3/4 d.	1s. 8 11/16 d.	1s. 8 3/4 d.	1s. 8 3/4 d.	1s. 8 1/8 to 2 1/32 d.	1s. 8 9/16 d.
First class Credits...3 „ „	1s. 8 11/16 d.	1s. 8 11/16 d.	1s. 8 11/16 d.	1s. 8 11/16 d.	1s. 8 19/32 to 5/8 d.	1s. 8 5/8 d.
„ „ 6 „ „	1s. 8 5/8 d.	1s. 8 7/8 d.	1s. 8 7/8 d.	1s. 8 7/8 d.	1s. 8 23/32 to 13/16 d.	1s. 8 11/16 d.
Documents... ...3 „ „	1s. 8 3/4 to 13/16 d.	1s. 8 3/4 d.	1s. 8 3/4 d.	1s. 8 3/4 d.	1s. 8 3/8 to 11/16 d.	1s. 8 1/2 to 9/16 d.
„ 6 „ „	1s. 8 15/16 d.	1s. 8 15/16 d.	1s. 8 15/16 d.	1s. 8 15/16 d.	1s. 8 1/8 to 7/8 d.	1s. 8 11/16 to 3/4 d.
Paris Francs Mercantile Bills ...3 „ „	2·17 1/2 to 2·18	2·17 to 2·17 1/2	2·17	2·17	2·16	2·15 to 2·15 1/2
„ „ 6 „ „	2·19 1/2 to 2·20	2·19 to 2·19 1/2	2·19	2·19	2·18	2·17 to 2·17 1/2
Bank Rate, Calcutta, on Demand.	100 1/16 to 100 1/8	100 1/16 to 100 1/8	100 to 100 1/16	100 to 100 1/16	100 1/16 to 100 1/8	100 to 100 1/16
House Bills, China, 60 days' Sight	218 to 225 Nl.	221 to 223	220 to 222 Nl.	220 to 222 Nl.	220 to 222 Nl.	220 Nl.
RATES OF DISCOUNT.						
Bank Rate of Discount on Private Bills	9 per cent.	8 per cent.	8 per cent.	8 per cent.	8 per cent.	8 per cent.
„ on Government Bills	6 „	5 „	5 „	5 „	5 „	5 „
„ of Interest on Demand loans on Govt. Securities	7 „	6 „	6 „	6 „	6 „	6 „
GOVERNMENT SECURITIES.						
Four per cents.	94 1/4 to 94 1/2	94 to 94 1/4	94 7/8 to 95	94 5/8 to 94 3/4	94 1/8 to 94 1/4	94 7/8 to 95
Four-and-a-half per cents. ...	94 1/4 to 94 1/2	94 to 94 1/2	94 7/8 to 95	94 3/4 to 94 7/8	94 1/4 to 94 1/2	94 5/8 to 95 1/4
Five-and-a-half per cents. ...	103 to 103 1/8	103 to 103 1/8	103 3/4	104 to 104 1/4	103 3/4 to 104	103 3/4 to 104
IMPORTS.						
Piece Goods—						
7lb. 40in. G. Shirtings (14×13)	Rs. 3-4 to 4-4	Rs. 3-4 to 4-4	Rs. 3-4 to 4	Rs. 3-6 to 4-4	Rs. 3-6 to 4-6	Rs. 3-6 to 4-6
8 1/4 lb. „ (16×15)	„ 3-8 to 5-4	„ 3-8 to 5-4	„ 3-8 to 5-2	„ 3-10 to 5-4	„ 3-8 to 5-4	„ 3-12 to 5-6
3lb. 32in. Madapollams (13×11)	„ 1-8 to 1-12	„ 1-8 to 1-12	„ 1-8 to 1-12	„ 1-8 to 1-13	„ 1-8 to 1-13	„ 1-8 to 1-13

No. 40s Mule Twist, per lb ...	As. 8 to 8½	As. 8 to 8½	As. 8 to 8½	As. 8 to 8¾	As. 8¼ to 8¾	As. 8¼ to 8¾
No. 30s Water „ „ ...	„ 8 to 8½	„ 8 to 8½	„ 8 to 8½	„ 8 to 8⅝	„ 8¼ to 8⅝	„ 8¼ to 8¾
Copper (Brazier) per cwt. ...	Rs. 46 to 47¼	Rs. 46¼ to 46¾	Rs. 46¼ to 47½	Rs. 46¾ to 47½	Rs. 47 to 47½	Rs. 47 to 47½
British Bar Iron (per candy) ...	„ 25 to 26½	„ 25½ to 26½	„ 25 to 26½	„ 25 to 26½	„ 25 to 26	„ 25 to 26½
Davison's West Hartley (per ton) Landed	„ 21 to 22	„ 21	„ 20 to 22	„ 20 to 22	„ 20	„ 20 to 21
Welsh Hartley (per ton) Landed.	„ 20 to 21	„ 19 to 20	„ 19 to 20	„ 19	„ 19 to 19½	„ 19
EXPORTS.						
COTTON—						
M. G. Broach (crop) 1877-78 FGF	„ 195/98 F.P.	198/204 F.P.	204/07 F.P.	203/06 F.P.	203/205 F.P.	198/203 F.P.
Hinganghaut „ „ Good	„ 208 F.P.	210/12 F.P.	216 F.P.	214/15 F.P.	210/15 F.P.	212 F.P.
Akote „ „ „	„ 196/97 F.P.	202/04 F.P.	210/15 F.P.	209/12 F.P.	208/10 F.P.	206/08 F.P.
Oomrawuttee „ „ FGF	„ 187/88 F.P.	195/97 F.P.	205/10 F.P.	201/08 F.P.	200/05 F.P.	198/202 F.P.
Sawgd. Dharwar „ „ „	„ 202/3 F.P.	210 F.P.	215/16 F.P.	211/15 F.P.	210/12 F.P.	204/09 F.P.
Dhollera „ „ „	„ 194/98 H.P.	200 H.P.	200/05 H.P.	203/05 H.P.	202/04 H.P.	200/02 H.P.
*** The Quotations are for Good selections.						
Linseed (per cwt.)	Rs. 6-8 to 6-9	Rs. 6-9 to 6-11	Rs. 6-11 to 6-12	Rs. 6-9 to 6-11	Rs. 6-9 to 6-10	Rs. 6-8 to 6-10
Rapeseed „	„ 7 to 7-8	„ 7-4 to 7-10	„ 7-6 to 7-12	„ 7-6 to 7-12	„ 7-4 to 7-12½	„ 7-2 to 7-13
Wheat (White Pessy), per candy of 756lb.	„ 39 to 40	„ 40 to 41	„ 39 to 40	„ 39 to 40	„ 38 to 39	„ 38 to 39
Opium (Malwa) per chest) Old	„ 1810	„ 1810	„ 1855	„ 1845	„ 1855	„ 1860
„ „ „ New	„ 1775	„ 1780	„ 1840	„ 1825	„ 1850	„ 1850
FREIGHTS.						
Liverpool—Cotton, via Cape (per ton=50 feet) ...	£1	£0-15 to 1	£0-17-6 to 0-18-9	£0-15 to 1	£0-15 to 0-17-6	£0-12-6 to 0-17-6
„ Seed „	£0-17-6 to 1	£0-17-6 to 0-18-9	£0-17-6 to 0-18-9	£0-15 to 1	£0-15 to 0-17-6	£0-10 to 0-17-6
Overland London—Measurement cargo (per ton=40 feet)	£2 to 2-5	£1-15 to 2	£1-15 to 2	£1-15 to 2-2-6	£1-5 to 2	£1-5 to 2
Overland Liverpool—Cotton ...	£1 to 1-10	£0-15 to 0-16-3	...	£0-15	£0-17-6 to 1-5	£0-15
Overland Liverpool—Cotton, Steamer, via Suez Canal ...	£1	£0-15 to 0-17-6	£0-17-6	£0-15 to 0-17-6	£0-15 to 0-17-6	£0-15 to 0-17-6
Havre—Cotton via Canal (per ton)	£1-15 to 1-17-6	£1-5 to 1-15	£1-10 to 1-15	£1-15	£0-17-6 to 1-12-6	£1 to 1-7-6
Trieste „ „ „	£1-17-6 to 2-6	£1-17-6	£1-10 to 1-15	£1-10 to 1-15	£1-2-6 to 1-10	£1-2-6 to 1-7-6
China, Steamer (per ton, 40 feet)	Rs. 17	Rs. 17	Rs 17.	Rs. 17.	Rs. 17	Rs. 10

WEEKLY CURRENT QUOTATIONS for the Year 1878.—Continued.

Quotations.	Week ending 4th July.	Week ending 11th July.	Week ending 18th July.	Week ending 25th July.	Week ending 1st August.	Week ending 8th August.
EXCHANGE						
On England, Bank Bills Sight	1s. $8\frac{1}{16}$d.	1s 8 to $\frac{1}{32}$d.	1s. $8\frac{3}{16}$d.	1s. $8\frac{1}{8}$d.	1s. $8\frac{1}{16}$ to $\frac{3}{32}$d.	1s. 8d.
,, ,, 3 m'ths' ,,	1s $8\frac{3}{16}$d.	1s. $8\frac{1}{8}$ to $\frac{5}{32}$d.	1s. $8\frac{5}{16}$d.	1s. $8\frac{1}{4}$d.	1s. $8\frac{5}{16}$ to $\frac{9}{32}$d.	1s. $8\frac{3}{16}$d.
,, ,, 6 ,, ,,	1s. $8\frac{3}{8}$d,	1s. $8\frac{5}{16}$ to $\frac{11}{32}$d.	1s. $8\frac{1}{4}$d.	1s. $8\frac{7}{16}$d.	1s. $8\frac{3}{8}$ to $\frac{13}{32}$d.	1s. $8\frac{3}{8}$d.
First class Credits ...3 ,, ,,	1s. $8\frac{5}{16}$ to $\frac{3}{8}$d.	1s. $8\frac{1}{4}$ to $\frac{6}{16}$d.	1s. $8\frac{1}{2}$d.	1s. $8\frac{1}{2}$d.	1s. $8\frac{3}{8}$ to $\frac{7}{16}$d.	1s. $8\frac{5}{16}$ to $\frac{1}{32}$d.
,, ,, 6 ,, ,,	1s. $8\frac{1}{2}$ to $\frac{9}{16}$d.	1s. $8\frac{7}{16}$ to $\frac{1}{2}$d.	1s. $8\frac{11}{16}$d.	1s. $8\frac{9}{16}$ to $\frac{5}{8}$d.	1s. $8\frac{9}{16}$ to $\frac{5}{8}$d.	1s. $8\frac{1}{2}$ to $\frac{17}{32}$d.
Documents ... ...3 ,, ,,	1s. $8\frac{17}{32}$ to $\frac{7}{16}$d.	1s. $8\frac{5}{16}$ to $\frac{11}{32}$d.	1s. $8\frac{1}{2}$ to $\frac{9}{16}$d.	1s. $8\frac{7}{16}$d.	1s. $8\frac{7}{16}$ to $\frac{1}{2}$d.	1s. $8\frac{11}{32}$ to $\frac{3}{8}$d.
,, 6 ,, ,,	1s. $8\frac{17}{32}$ to $\frac{5}{8}$d.	1s. $8\frac{1}{2}$ to $\frac{17}{32}$d.	1s. $8\frac{11}{16}$ to $\frac{5}{4}$d.	1s. $8\frac{5}{8}$d.	1s. $8\frac{5}{8}$ to $\frac{11}{16}$d.	1s. $8\frac{17}{32}$ to $\frac{9}{16}$d.
Paris Francs Mercantile Bills ... ...3 ,, ,,	2·13½ to 2·14	2·13	2·15 to 2·15½	2·14 to 2·15	2·14 to 2·15	2·13½ to 2·14
,, ,, 6 ,, ,,	2·15½ to 2·16	2·15	2·17 to 2.17½	2·16 to 2·17	2·16 to 2·17	2·15½ to 2·16
Bank Rate, Calcutta, on Demand.	100⅛ to 100$\frac{3}{16}$	100$\frac{1}{16}$ to 100⅛	100⅛	100$\frac{1}{16}$ to 100⅛	100$\frac{1}{16}$ to 100⅛	100$\frac{1}{16}$ to 100⅛
House Bills, China, 60 days' Sight	220 to 221 Noml.	220 to 22 Noml.	220 to 21 Noml.	220 Noml.	220 to 24½ Noml.	220 Noml.
RATES OF DISCOUNT.						
Bank Rate of Discount on Private Bills...	7 per cent.	7 per cent.	7 per cent.	7 per cent.	7 per cent.	7 per cent.
,, on Government Bills	4 ,,	4 ,,	4 ,,	4 ,,	4 ,,	4 ,,
,, of Interest on Demand Loans on Govt. Securities	5 ,,	5 ,,	5 ,,	5 ,,	5 ,,	5 ,,
GOVERNMENT SECURITIES.						
Four per cents.	95	94⅞ to 95	95⅝ to 95¾	97	96⅞ to 97	96⅞ to 97
Four-and-a-half per cents. ...	95 to 95⅛	94⅞ to 95	95¾	97 to 97⅛	97 to 97⅛	96⅞ to 97
,, ,, New Loan of 1878	101	101	101¾	102½ to 102¾	102⅛ to 102$\frac{9}{16}$	102¾
Five-and-a-half per cents. ...	104 to 104¼	104¼ to 104½	104½	104½ to 104⅝	104½ to 104⅝	104¾ to 105
IMPORTS.						
Piece Goods— 7lb. 40in. G. Shirtings (14×13)	Rs. 3.6 to 4.6	Rs. 3.6 to 4.6	Rs. 3.6 to 4.6	Rs. 3.6 to 4.6	Rs. 3.6 to 4.4	Rs. 3.6 to 4.6
8¼ lb. ,, (16×15)	,, 3.14 to 5.6	,, 3.12 to 5.6	,, 3.14 to 5.6	,, 3.14 to 5.6	,, 3.14 to 5.6	,, 3.14 to 5.6

3lb. 32in. Madapollams (13×11)	Rs. 1-8 to 1-12	Rs. 1-8 to 1-13	Rs. 1-8 to 1-13	Rs. 1-8 to 1-14	Rs. 1-8 to 1-14	Rs. 1-8 to 1-14
No. 40s Mule Twist, per lb. ...	As. 8¼ to 8¾	As. 8¼ to 8¾	As. 8¼ to 8¾	As. 8¼ to 8¾	As. 8¼ to 8⅝	As. 8¼ to 8⅝
No. 30s Water „ „ ...	„ 8¼ to 8¾	„ 8¼ to 8¾	„ 8¼ to 8¾	„ 8¼ to 8¾	„ 8¼ to 8⅝	„ 8¼ to 8⅝
Copper (Braziers), per cwt. ...	Rs. 47 to 47½	Rs. 47 to 48	Rs. 47 to 47½	Rs. 47 to 47½	Rs. 46½ to 47½	Rs. 47 to 47¾
British Bar Iron (per candy) ...	„ 25 to 26½	„ 25 to 26½	„ 25 to 26½	„ 25 to 27	„ 25 to 26½	„ 25 to 26½
Davison's West Hartley (per ton) Landed.	„ 19 to 21	„ 19 to 21	„ 20 to 21	„ 20 to 21	„ 20 to 21	„ 20 to 21
Welsh Hartley (per ton) do.	„ 19 to 20	„ 18 to 20	„ 19 to 20	„ 19 to 19½	„ 19 to 20	„ 19 to 20

EXPORTS.

COTTON—						
M.G. Broach (crop) 1877-78 F.G.F.	Rs. 195/202 F.P.	200/202 F.P.	200/212 F.P.	202/05 F.P.	204/10 F.P.	204/10 F.P.
Hingunghaut „ Good	„ 210 F.P.	212 F.P.	215 F.P.	217 F.P.	220 F.P.	220 F.P.
Akote ... „ „	„ 204/07 F.P.	205/8 F.P.	206/10 F.P.	207/12 F.P.	210/15 F.P.	212/14 F.P.
Oomrawuttee „ F.G.F.	„ 196/200 FP.	200/02 F.P.	200/05 F.P.	203/05 F.P.	205/07 F.P.	205/08 F.P.
Sawgd. Dharwar „ „	„ 203/205 FP.	200/06 F.P.	205/06 F.P.	205/06 F.P.	210/12 F.P.	210/13 F.P.
Dhollera ... „ „	„ 198/203 HP.	198/202 H.P.	203/04 H.P.	202/05 H.P.	205/07 H.P.	205/08 H.P.
*** The Quotations are for Good selections.						
Linseed (per cwt.)	Rs. 6-9 to 6-10	Rs. 6-10 to 6-12	Rs. 6-12 to 6-13	Rs. 6-14	Rs. 6-12 to 6-14	Rs. 6-13 to 6-14
Rapeseed „	„ 7-4 to 7-13	„ 7-4 to 7-14	„ 7-4 to 8	„ 7 to 8	„ 7-12 to 8	„ 7-12 to 8
Wheat (White Pessy), per candy of 756 lb.	„ 38	„ 37 to 38	„ 37 to 38	„ 37 to 38	„ 37 to 38	„ 37
Opium (Malwa) (per chest) Old	„ 1855	„ 1860	„ 1848	„ 1835	„ 1815	...
„ „ „ New	„ 1850	„ 1850	„ 1843	„ 1825	„ 1800	...

FREIGHTS.

Liverpool—Cotton, via Cape, (per ton=50 feet) ...	£0-12-6 to 0-17-6	£0-12-6 to 0-17-6	£0-11-3 to 0-17-6	£0-11-3 to 0-17-6	£0-10 to 0-16 3	£0-10 to 1-0
„ Seed „ ...	£0-12-6 to 0-17-6	£0-10 to 0-17-6	£0-12-6 to 0-17-6	£0-11-3 to 0-16-3	£0-10 to 0-16-3	£0-10 to 0-12-6
Overland London—Measurement cargo (per ton=40 feet)	£1-5 to 1-15	£1 to 1-10	£1-5 to 1-10	£1-5 to 1-12-6	£1-5 to 1-12-6	£1-12-6 to 1-17-6
Overland Liverpool—Cotton ...	£0-15	Nominal.	£0-17-6 to 1-0	Nominal.	£1-5 to 1-10	£1-10 to 1-17-6
Overland Liverpool—Cotton Steamer, via Suez Canal	£0-12-6 to 0-15	£0-16-3 to 0-18-9	£0-18-9 to 1-0	£1	£1-2-6 to 1-3-9	£1-2-6 to 1-3-9
Havre—Cotton via Canal (per ton)	£1 to 1-17-6	£1-5 to 1-17-6	£1-17-6 to 2-0	£1-17-6 to 2-0	£1-10 to 2-0	£1-17-6
Trieste „ „ „	£1-2-6 to 1-5	£1 to 1-5	£1-5	£1-5	£1-5 to 1-9	£1-5
China, Steamer (per ton, 40 feet)	Rs. 10	Rs. 10	Rs. 5	Rs. 17	Rs. 12 to 17	Rs. 12 to 17

WEEKLY CURRENT QUOTATIONS for the Year 1878.—Continued.

Quotations.	Week ending 15th August.	Week ending 22nd August.	Week ending 29th August.	Week ending 5th Sept.	Week ending 12th Sept.	Week ending 19th Sept.	Week ending 26th Sept.
EXCHANGE							
On England, Bank Bills Sight	1s. 7⅞d.	1s. 7 29/32 to 15/16d.	1s. 7 13/16 to ⅞d.	1s. 7 11/16 to ¾d.	1s. 7¾d.	1s. 7¾ to 13/16d.	1s. 7 27/32d.
,, ,, 3 m'ths' ,,	1s. 8 1/16d.	1s. 8 3/32 to ⅛d.	1s. 8 1/16d.	1s. 7⅞ to 15/16d.	1s. 7 15/16d.	1s. 7 15/16 to ⅛d.	1s. 8 1/16d.
,, ,, 6 ,, ,,	1s. 8¼d.	1s. 8 5/16 to ⅜d.	1s. 8¼d.	1s. 8⅛ to 3/16d.	1s. 8 3/16d.	1s. 8 3/16 to ¼d.	1s. 8¼d.
First class Credits ...3 ,, ,,	1s. 8¼d.	1s. 8 9/32d.	1s. 8 7/32 to ¼d.	1s. 8⅛d.	1s. 8 3/16d.	1s. 8 3/16d.	1s. 8 7/32 to ¼d.
,, ,, ...6 ,, ,,	1s. 8 7/16d.	1s. 8 15/32d.	1s. 8 7/16d.	1s. 8 5/16d.	1s. 8⅜d.	1s. 8⅜d.	1s. 8 23/32 to 7/16d.
Documents ... ...3 ,, ,,	1s. 8 5/16d.	1s. 8 5/16 to 11/32d.	1s. 8 9/32d.	1s. 8 5/32 to 3/16d.	1s. 8¼d.	1s. 8¼d.	1s. 8¼ to 5/16d.
,, ...6 ,, ,,	1s. 8 7/16 to ½d.	1s. 8½ to 17/32d.	1s. 8 15/32d.	1s. 8 11/32 to ⅜d.	1s. 8 7/16d.	1s. 8 7/16d.	1s. 8 7/16 to ½d.
Paris Francs Mercantile Bills ... ...3 ,, ,,	2·12 to 2·12½	2·12½ to 2·13	2·12 to 2·12½	2·11½ to 2·12	2·12 to 2·13	2·13	2·13 to 2·13½
,, ,, ...6 ,, ,,	2·14½	2·14½ to 2·15	2·14 to 2·14½	2·13½ to 2·14	2·14 to 2·15	2·15	2·15 to 2·15½
Bank Rate, Calcutta, on Demand.	100 1/16 to 100⅛	100 1/16 to 100⅛	100 1/16	100 1/16 to 100⅛	100 1/16 to 100⅛	100 1/16	100 1/16 to 100⅛
House Bills, China, 60 days' Sight	220 Nominal.	220 Nominal.	218 to 20 Nl.	218 to 20 Nl.	218 to 20 Nl.	219 Nominal.	218 to 20 Nl.
RATES OF DISCOUNT.							
Bank Rate of Discount on Private Bills...	7 per cent.	7 per cent.	7 per cent.	7 per cent.	7 per cent.	7 per cent.	7 per cent.
,, on Government Bills.	4 ,,	4 ,,	4 ,,	4 ,,	4 ,,	4 ,,	4 ,,
,, of Interest on Demand Loans on Govt. Securities	5 ,,	5 ,,	5 ,,	5 ,,	5 ,,	5 ,,	5 ,,
GOVERNMENT SECURITIES.							
Four per cents.	96¾ to 97	96¾ to 96⅞	96⅝ to 96¾	96¾ to 96⅞	96½ to 96⅝	96⅜ to 96½	95½ to 95¾
Four-and-a-half per cents. ...	96¾ to 97	96⅞ to 97	96⅝ to 96⅞	96⅞	96⅝ to 96¾	96½	95½ to 95⅞
,, ,, New Loan of 1878.	102¾ to 103	102½ to 102⅝	102	102⅛	102 to 102⅛	101¾ to 101⅞	100¾ to 100⅞
Five-and-a-half per cents. ...	103¼ to 103¾	103¼	102¾ to 103	102⅞ to 103	102⅞ to 103	...	...
IMPORTS.							
Piece Goods—							
7lb. 40in. G. Shirtings (14×13)	Rs. 3-6 to 4-6	Rs. 3-6 to 4-6	Rs. 3-6 to 4-6	Rs. 3-6 to 4-6	Rs. 3-6 to 4-6	Rs. 3-6 to 4-6	Rs. 3-6 to 4-8
8¼lb. ,, (16×15)	,, 3-12 to 5-6	,, 3-12 to 5-4	,, 3-12 to 5-6	,, 3-12 to 5-6	,, 3-12 to 5-6	,, 3-12 to 5-4	,, 3-12 to 5-6

3lb. 32in. Madapollams (13 x 11)	Rs. 1-8 to 1-14	Rs. 1-8 to 1-14	Rs. 1-8 to 1-14	Rs. 1-8 to 1-15	Rs. 1-10 to 1-15	Rs. 1-8½ to 1-15	Rs. 1-9 to 1-15
No. 40s Mule Twist, per lb. ...	As. 8¼ to 8½	As. 8¼ to 8½	As. 8 to 8½	As. 8¼ to 8½	As. 8¼ to 8½	As. 8¼ to 8¾	As. 8¼ to 8⅝
No. 30s Water „ „	„ 8¼ to 8½	„ 8¼ to 8½	„ 8¼ to 8½	„ 8¼ to 8½	„ 8¼ to 8½	„ 8¼ to 8½	„ 8¼ to 8½
Copper (Braziers) per cwt. ...	Rs. 47 to 48	Rs. 47 to 47½	Rs. 47 to 47¼	Rs. 47 to 47½	Rs. 47 to 47⅜	Rs. 47 to 47½	Rs. 47 to 47¼
British Bar Iron (per candy) ...	„ 25½ to 26½	„ 25 to 27	„ 25 to 27	„ 25 to 27	„ 25½ to 27	„ 25½ to 27	„ 25 to 27
Davison's West Hartley (per ton) Landed.	„ 19½ to 21	„ 19½ to 21¼	„ 19½ to 22	„ 20 to 21½	„ 20 to 21	„ 20 to 20½	„ 19 to 21
Welsh Hartley (per ton) „	„ 19 to 20	„ 18½ to 20¼	„ 18½ to 20	„ 18½ to 20½	„ 18½ to 20	„ 18½ to 19½	„ 18 to 20
EXPORTS.							
COTTON—							
M.G. Broach (crop) 1877-78 F.G.F	„ 205/8 F.P.	205/10 F.P.	205/10 F.P. Nominal.	203/6 F.P. Nominal.	203/6 F.P. Nominal.	204/7 F.P. None	204/7 F.P. Nl. None.
Hinganghaut „ Good	„ 220 F.P.	220 F.P.					
Akote „ „	„ 210/14 F.P.	213/14 F.P.	214/15 F.P.	212 F.P.	212/13 F.P.	212/14 F.P.	210/12 F.P. „
Oomrawuttee „ F.G.F.	„ 202/08 F.P.	205/8 F.P.	205/10 F.P.	206/7 F.P.	205/8 F.P.	204/8 F.P.	205/7 F.P.
Sawgd. Dharwar „ „	„ 210/14 F.P.	212/15 F.P.	215/16 F.P.	213/15 H.P.	213/15 H.P.	210/14 H.P.	210/11 H.P. „
Dhollera „ „	„ 201/14 H.P.	205/08 H.P.	203/14 H.P.	206/7 H.P.	206/8 H P.	205/09 H.P.	205/8 H.P.
*** The Quotations are for Good selections.							
Linseed (per cwt.)	Rs. 6-12 to 6-13	Rs. 6-12 to 6-14	Rs. 6-14 to 7	Rs 7	Rs. 6-15 to 7-1	Rs. 6-15 to 7	Rs. 7
Rapeseed „	„ 7 to 8	„ 7 to 8	„ 7-14 to 8	„ 7-14 to 8	„ 7 to 8-1	„ 8	„ 7-12 to 8
Wheat (White Pessy), per candy of 756lb.	„ 36 to 37	„ 37 to 38	„ 37 to 38	„ 36 to 41	„ 38 to 39	„ 38 to 40	„ 40 to 41
Opium (Malwa) (per chest) Old	„ 1750	None.	None.	None.	None.	None.	None.
„ „ „ New	„ 1765	„ 1785	„ 1785	„ 1775	„ 1775	„ 1775	„ 1775
FREIGHTS.							
Liverpool—Cotton, via Cape, (per ton=50 feet) ...	£0-7-6 to 0-15	£0-10 to 0-12-6	£0-7-6 to 0-10	£0-10 Noml.	£0-10 Nominal	£0-10 Noml.	£0-10 Noml.
„ Seed „ ...	£0-6-3 to 0-10	£0-10	£0-7-6 to 0-10	£0-10 „	£0-10 „	£0-10 „	£0-10 „
Overland London—Measurement cargo (per ton=40 feet)	£1-5 to 1-12-6	£1-5 to 1-15	£1-2-6 to 1-10	£1-5 to 1-12-6	£1-7-6 to 1-10	£1-5 to 1-10	£1-5 to 1-10
Overland Liverpool—Cotton ...	£1-10	£1-12-6	£1-10	£0-1-5	£1-10	Nil.	Nil.
Overland Liverpool—Cotton Steamer, via Suez Canal.	£0-18-9 to 1-5	£0-18-9 to 1-0	£0-17-6	£0-16-3 to 0-17-6	£0-15 to 0-16-3	£0 12-6 to 0-13 9	£0-10 to 0-12-6
Havre—Cotton via Canal (per ton)	£1 to 1-17-6	£1-17-6	£1-17-6 to 2-10	£1-17-6 to 2	£1 to 1-7-6	£1-17-6	£1-5 to 1-7-6
Trieste „ „ „	£1 to 1-5	£1 to 1-5	£1-5	£1-2-6 to 1-5	£1 to 1-5	£1-5	£1-2-6 to 1-5
China, Steamer (per ton, 40 feet)	Rs. 15 to 17	Rs. 17	Rs. 16 to 17	Rs. 12 to 15	Rs. 15	Rs. 15	Rs. 12 to 15

WEEKLY CURRENT QUOTATIONS for the Year 1878.—*Continued.*

QUOTATIONS.	Week ending 7th October.	Week ending 12th October.	Week ending 19th October.	Week ending 26th October.	Week ending 2nd November.	Week ending 9th November.
EXCHANGE						
On England, Bank Bills Sight	1s. 7 9/16 to 2 3/16 d.	1s. 7 15/16 d.	1s. 7 1/16 to 1/8 d.	1s. 7 1/8 d.	1s. 7 1/16 d.	1s. 7 1/16 d.
" " 3 m'ths' "	1s. 7 11/16 to 11/8 d.	1s. 7 11/16 to 7/8 d.	1s. 7 1/8 to 1/4 d.	1s. 7 1/4 d.	1s. 7 3/4 d.	1s. 7 1/16 to 5/8 d.
" " 6 " "	1s. 8 to 8 1/16	1s. 8 to 1/4 d.	1s. 7 3/8 to 11/16 d.	1s. 7 3/8 d.	1s. 8 1/8 d.	1s. 7 3/8 to 11/16 d.
First class Credits ...3 " "	1s. 8 1/16 to 1/4 d.	1s. 8 1/8 d.	1s. 7 11/16 to 7/8 d.	1s. 7 7/8 to 15/16 d.	1s. 8 1/8 d.	1s. 7 7/8 d.
" " 6 " "	1s. 8 3/8 to 7/16 d.	1s. 8 7/16 d.	1s. 8 1/16 to 1/8 d.	1s 8 1/8 to 7/16 d.	1s. 8 3/8 d.	1s. 8 1/8 d.
Documents ... ...3 " "	1s 8 1/4 to 7/16 d.	1s. 8 5/16 to 7/16 d.	1s. 7 7/8 to 1/8 d.	1s. 7 15/16 to 8d.	1s. 8 3/16 d.	1s. 7 15/16 d.
" 6 " "	1s. 8 7/16 to 1/2 d.	1s. 8 1/16 to 3/8 d.	1s. 8 1/8 to 1/4 d.	1s. 8 1/16 to 1/4 d.	1s. 8 7/16 d.	1s. 8 1/16 d.
Paris Francs Mercantile Bills ... ...3 " "	2·12 to 2·13 1/2	2·12 1/2 to 2·13	2·11 to 2·13	2·11 to 2·11 1/2	2·12 1/2	2·11 to 11 1/2
" " 6 " "	2·14 to 2·15 1/2	2·14 1/2 to 2·15	2·13 to 2·15	2·13 to 2·14	2·14 1/2 to 2·15	2·13 to 2·14
Bank Rate, Calcutta, on Demand.	100 to 100 1/2	100 to 100 1/2	100 1/16 to 100 1/2	100 to 100 1/16	100 1/16 to 100 1/8	100 1/16 to 100 1/8
House Bills, China, 60 days' Sight	218 Nominal.	216 to 17 Noml.	216 Nominal.	216 to 18 Noml.	217 to 18 Noml.	216 to 17
RATES OF DISCOUNT.						
Bank Rate of Discount on Private Bills...	7 per cent.	7 per cent.	7 per cent.	7 per cent.	7 per cent.	7 per cent.
" on Government Bills	4 "	4 "	4 "	4 "	4 "	4 "
" of Interest on Demand Loans on Govt. Securities	5 "	5 "	5 "	5 "	5 "	5 "
GOVERNMENT SECURITIES.						
Four per cents.	95 1/4 to 95 5/8	95 to 95 1/4	94 1/2 to 94 3/4	94	94 to 94 1/4	94 3/8 to 94 1/2
Four-and-a-half per cents. ...	95 1/2 to 95 5/8	95 to 95 3/8	94 1/2 to 94 3/4	94 to 94 1/4	94 to 94 1/2	94 1/2 to 94 5/8
" " New Loan of 1878	100 1/2 to 100 7/8	100 3/8 to 100 1/2	100 to 100 1/4	99 3/4 to 100	99 7/8 to 100	97 7/8 to 100 1/8
IMPORTS.						
PIECE GOODS—						
7lb. 40in. G. Shirtings (14×13)	Rs. 3-6 to 4-8	Rs. 3-6 to 4-6	Rs. 3-4 to 4-6	Rs. 3-4 to 4-6	Rs. 3-8 to 4-2	Rs 3-10 to 4-2
8 1/4lb. " (16×15)	" 3-12 to 5-6	" 3-12 to 5-6	" 3-12 to 5-6	" 3-12 to 5-6	" 4 to 5-4	" 4 to 5-4
3lb, 32in. Madapollams (13×11)	" 1-9 to 1-14	" 1-9 to 1-14	" 1-9 to 1-14	" 1-9 to 1-14	" 1-10 to 1-14	" 1-10 to 1-13
No. 40s Mule Twist, per lb. ...	As. 8 1/4 to 8 3/4	As. 8 1/8 to 8 1/2	As. 8 to 8 1/2	As. 8 to 8 1/2	As. 8 to 8 1/2	As. 8 to 8 3/8
No. 30s Water " " ...	" 8 1/4 to 8 1/2	" 8 to 8 1/4	" 8 to 8 3/4	" 8 to 8 1/2	" 8 to 8 3/4	" 8 to 8 3/8

Copper (Braziers), per cwt. ...	Rs. 46½ to 47¼	Rs. 46½ to 47¼	Rs. 47 to 47¼	Rs. 46½ to 47¼	Rs. 47 to 48	Rs. 47 to 47¼
British Bar Iron (per candy) ...	„ 25½ to 27	„ 25 to 27	„ 25 to 27	„ 25½ to 27	„ 25½ to 26½	„ 25½ to 26½
Davison's West Hartley (per ton) Landed.	„ 20	„ 19½ to 20½	„ 19½ to 21	„ 20 to 21	„ 20 to 21	„ 20 to 21
Welsh Hartley (per ton) do.	„ 18½ to 19	„ 18 to 19½	„ 18½ to 19½	„ 18½ to 19½	„ 18 to 19	„ 18½ to 20
EXPORTS.						
COTTON—						
M. G. Broach (crop) 1877-78 FGF	„ 204/06 F.P.	200/03 F.P.	198/200 F.P.	192/199 F.P.	189/195 F.P.	185/88 F.P.
Hingunghaut „ „ Good	None.	None.	210 F.P.	210 F.P.	None.	None.
Akote „ „ „	„ 210/11 F.P.	207/08 F.P.	204/208 F.P.	202/205 F.P.	199/200 F.P.	198/99 F.P.
Oomrawuttee „ „ FGF.	„ 206/07 F.P.	203/04 F.P.	197/203 F.P.	194/200 F.P.	191/192 F.P.	190 F.P.
Sawgd. Dharwar „ „ „	„ 210/11 H.P.	205/08 H.P.*	195/202 H P.*	192/198 H.P.	188/195 H P.	185/88 H.P.
Dhollera „ „ „	„ 207/10 H.P.	204/05 H.P.	197/202 H.P.	196/200 H.P.	183/192 H.P.	188 H.P.
*** The Quotations are for Good selections.						
Linseed (per cwt.)	Rs. 7 to 7-1-	Rs. 6-14 to 7-1	Rs. 6-13 to 6-14	Rs. 6-10 to 6-13	Rs. 6-4 to 6-14	Rs. 6-10 to 6-11
Rapeseed „	„ 7-10*	„ 7-10*	„ 7-4 to 8*	„ 6-10 to 7-12	„ 7-8	„ 7 to 7-6
Wheat (White Pessy), per candy of 756lb.	„ 40	„ 38 to 40	„ 38 to 40	„ 39 to 40	„ 39 to 40	„ 39 to 40
Opium (Malwa) (per chest) Old	None.	None.	None.	None.	None.	„ 1645
„ „ „ New	„ 1775	„ 1750	„ 1735	„ 1695	„ 1695	„ 1695
FREIGHTS.						
Liverpool—Cotton, via Cape (per ton=50 feet)...	£0-10 Noml.	Nominal.	Nominal.	Nominal.	£0-12-6	None.
„ Seed „	£0-10 „	„	„	„	£0-10	„
Overland London—Measurement cargo (pert on=40 feet)	£1 to 1-5	£1-2-6 to 1-5	£1-2-6 to 1-5	£1-2-6 to 1-5	£1-2-6 to 1-5	£1-2-6 to 1-5
Overland Liverpool—Cotton ...	Nominal.	Nominal.	Nominal.	Nominal.	None.	£0-10
Overland Liverpool—Cotton Steamer via Suez Canal ...	£0-10 to 0-12-6	£0-7-6 to 0-12-6	£0-7-6 to 0-10	£0-10 to 0-12-6	£0-7-6 to 0-12-6	£0-7-6 to 0-12-6
Havre—Cotton viaCanal(per ton)	£1-17-6 to 2	£ 1-15	£1-15	£1-17-6	£1-17-6 to 2	£1-15 to 2-0
Trieste „ „ „	£1-2-6 to 1-5	£1-5	£1-5	£1-5	£1-5 to 1-10	£1-10
China, Steamer (per ton, 40 feet)	Rs. 15	Rs. 15	Rs. 15	Rs. 10 to 15	Rs. 15 to 25	Rs. 15

* Delivery in 2 months.

WEEKLY CURRENT QUOTATIONS for the Year 1878.—*Continued.*

QUOTATIONS.	Week ending 16th November.	Week ending 23rd November.	Week ending 30th November.	Week ending 7th December.	Week ending 14th December.	Week ending 21st December.	Week ending 28th December.
EXCHANGE							
On England, Bank Bills Sight	1s. 7 1/16 7/8 to 3/8d.	1s. 7 3/8 to 1/16 7/8d.	1s. 7 3/8 to 1/16 7/8d.	1s. 7 1/16 5/8d.	1s. 7 1/8d.	1s. 6 7/8d.	1s. 6 1/16 3/8d.
" " 3 m'ths' "	1s. 7 1/16 1/2 to 3/4d.	1s. 7 3/8 to 1 1/16 1/4d.	1s. 7 1/16 1/2 to 3/4d.	1s. 7 1/16 9/16 to 5/8d.	1s. 7 7/16 to 1/2d.	1s. 7 1/16 5/8d.	1s. 7 1/16 5/8d.
" " 6 " "	1s. 8 to 1 1/16d.	1s. 7 1/16 1/16 to 8d.	1s. 7 1/16 1/16 to 8d.	1s. 7 7/8 to 1 1/16 5/8d.	1s. 7 3/4 to 1 1/16 3/8d.	1s. 7 5/8d.	1s. 7 1/16 5/8 to 5/8d.
First class Credits ...3 " "	1s. 7 7/8 to 1 1/16 5/8d.	1s. 7 1/16 3/8 to 7/8d.	1s. 7 7/8 to 8d.	1s. 7 3/4 to 7/8d.	1s. 7 1/16 to 3/4d.	1s. 7 1/16 9/16d.	1s. 7 1/2d.
" " ...6 " "	1s. 8 3/8 to 1/16 5/8d.	1s. 8 1/16 to 1/8d.	1s. 8 1/8 to 1/4d.	1s. 8 to 1/16d.	1s. 7 1/16 5/8 to 8d.	1s. 7 1/16 3/8d.	1s. 7 3/4d.
Documents ... ...3 " "	1s. 7 1/16 1/8 to 8d.	1s. 7 1/8 to 1 1/16 3/8d.	1s. 7 1/16 5/8 to 8 1/16d.	1s. 7 1/16 3/8 to 1/8d.	1s. 7 3/4 to 1 1/16 3/8d.	1s. 7 9/16d.	1s. 7 1/16 9/16d.
" ... ...6 " "	1s. 8 1/16 5/8 to 1/4d.	1s. 8 1/8 to 1 1/16 5/8d.	1s. 8 1/16 5/8 to 1/8d.	1s. 8 1/16 to 1/8d.	1s. 8 to 1/16d.	1s. 7 5/8d.	1s. 7 1/16 3/8d.
Paris Francs Mercantile Bills ... ...3 " "	2·10 1/2 to 2·11 1/4	2·10	2·10 1/4 to 2·11	2·09 to 2·09 1/2	2·09 to 2·11	2·08	2·07 to 2·08
" " ...6 " "	2·12 1/2 to 2·13 1/4	2·12 to 2·12 1/2	2·12 1/2 to 2·13	2·11 1/2 to 2·13	100 1/8 to 100 3/16	2·10	2·09 to 2·10
Bank Rate, Calcutta, on Demand.	100 1/16 to 100 1/8	100 1/16 to 100 1/8	100 1/16 to 100 3/16	100 3/16	...	100 3/16 to 100 5/16	100 3/16 to 100 1/4
House Bills, China, 60 days' Sight	217 Nominal.	217 Nominal.	217 Nominal.	217 to 18	219 to 20 Nl.	217 to 19 Nl.	Nominal.
RATES OF DISCOUNT.							
Bank Rate of Discount on Private Bills...	7 per cent.	7 per cent.	7 per cent.	7 per cent.	7 per cent.	7 per cent.	7 per cent.
" on Government Bills.	4 "	4 "	4 "	4 "	4 "	4 "	4 "
" of Interest on Demand Loans on Govt. Securities	5 "	5 "	5 "	5 "	5 "	5 "	5 "
GOVERNMENT SECURITIES.							
Four per cents.	94 1/4 to 94 1/8	94 1/4	94 1/8	94 1/4 to 94 1/2	94 1/4 to 94 1/2	94 to 94 3/8	94 to 94 1/4
Four-and-a-half per cents. ...	94 1/4 to 94 1/8	94 1/4	94 1/4 to 94 5/8	94 1/4 to 94 1/2	94 1/4 to 94 1/2	94 to 94 3/8	94 to 94 1/4
" " New Loan of 1878.	99 7/8 to 100 1/8	99 7/8 to 100	99 7/8 to 100	99 3/4 to 100	99 3/4 to 100	99 1/4 to 99 7/8	99 5/8 to 99 7/8
IMPORTS.							
PIECE GOODS— 7lb. 40in. G. Shirtings (14×13)	Rs. 3-8 to 4	Rs. 3-6 to 4	Rs. 3-2 to 3-14	Rs. 3-6 to 3-14	Rs. 3-4 to 4-4	Rs. 3-4 to 4-2	Rs. 3-2 to 4-2
8 1/4lb. " (16×15)	" 4 to 5-4	" 4 to 5	" 4 to 5	" 3-12 to 4-14	" 3-12 to 4-15	" 3-12 to 4-13	" 3-12 to 4-14

3lb. 32in. Madapollams (13 x 11)	Rs. 1-10 to 1-14	Rs. 1-10 to 1-14	Rs. 1-8 to 1-14	Rs. 1-9 to 1-11	Rs. 1-8 to 1-14	Rs. 1-10 to 1-13	Rs. 1-10 to 1-14
No. 40s Mule Twist, per lb. ...	As. 8 to 8⅜	As. 8 to 8⅜	As. 8 to 8⅜	As. 8 to 8¼	As. 7⅜ to 8⅜	As. 7¾ to 8¼	As. 7¾ to 8¼
No. 30s Water „ „ ...	„ 8 to 8⅜	„ 8 to 8⅜	„ 8 to 8⅜	„ 8 to 8¼	„ 7⅜ to 8⅜	„ 7⅜ to 8¼	„ 8⅜ to 8¼
Copper (Braziers) per cwt. ...	Rs. 47 to 47½	Rs. 47 to 47¼	Rs. 46⅝ to 47¼	Rs. 46½ to 47	Rs. 46½ to 46⅝	Rs. 46½ to 46⅝	Rs. 46½ to 47
British Bar Iron (per candy) ...	„ 25½ to 27	„ 25½ to 26½	„ 25½ to 27	„ 25½ to 27½	„ 25½ to 27½	„ 25½ to 27	„ 25½ to 27
Davison's West Hartley (per ton) Landed.	„ 18½ to 21	„ 18 to 21	„ 18 to 21	„ 19½ to 21	„ 19½ to 21½	„ 20 to 21½	„ 20 to 21½
Welsh Hartley (per ton) „	„ 18¼ to 20	„ 18 to 20	„ 18 to 20	„ 18½ to 20	„ 18½ to 20	„ 18½ to 21	„ 18 to 21

EXPORTS.

COTTON—							
M.G. Broach (crop) 1877-78 F.G.F	„ 182/85 F.P.	180/190 F.P.	180/190 F.P.	175/180 F.P.	172/80 F.P.	172/80 F.P.	172/80 F.P.
Hinganghaut „ Good	None.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
Akote „ „	„ 197 F.P.	196 F.P.	195 F.P.	190/92 F.P.	„	„	„
Oomrawuttee „ F.G.F.	„ 177/90 F.P.	185/186 F.P.	179/195 F.P.	176/82 F.P.	174/81 F.P.	172/81 F.P.	172/81 F.P.
Sawgd. Dharwar „ „	„ 185/190 H.P.	185/188 H.P.	185/88 H.P.	180/88 H.P.	175/90 H.P.	175/80 H.P.	175/85 H.P.
Dhollera „ „	„ 185/190 H.P.	180/185 H.P.	177/184 H.P.	173/183 H.P.	170/82 H.P.	170/81 H.P.	170/81 H.P.
*** The Quotations are for Good selections.							
Linseed (per cwt.)	Rs. 6-8 to 6-11	Rs. 6 to 6-8	Rs. 6 to 6-8	Rs. 6 to 7	Rs. 6 to 6-7	Rs. 6 to 7	Rs. 6 to 7
Rapeseed „	„ 6 to 7-8	„ 6 to 7-2	„ 6 to 7-4	„ 6 to 7-8	„ 6 to 7-8	„ 6¾ to 8	„ 6¾ to 8
Wheat (White Pessy), per candy of 756lb.	„ 38 to 40	„ 35 to 40	„ 35 to 40	„ 35 to 40	„ 38 to 42	„ 39 to 45	„ 39 to 45
Opium (Malwa) (per chest) Old	„ 1685	„ 1665	„ 1655	„ 1635	„ 1600	„ 1575	„ 1550
„ „ „ New	„ 1675	„ 1655	„ 1665	„ 1650	„ 1620	„ 1600	„ 1570

FREIGHTS.

Liverpool—Cotton, via Cape, (per ton=50 feet) ...	No ship.	No ship.	£0-15 Noml.	No ship.	No ship.	No ship.	No ship.
„ Seed „ ...	„	„	£0-10 to 0-12-6	„	„	„	„
Overland London—Measurement cargo (per ton=40 feet)	£0-12-6 to 1-5	£1 to 1-5	£1 to 1-5	£1 to 1-5	£1 to 1-5	£1-2-6 to 1-5	£1-2-6 to 1-5
Overland Liverpool—Cotton ...	Nil.	£0-10	£0-15	£0-15 to 1-5	£0-15 to 1-5	£1-5	£0-15-6 to 1-5
Overland Liverpool—Cotton, Steamer, via Suez Canal.	£0-10 to 0-12-6	£0-7-6 to 0-10	£0-12-6 to 0-15	£0-12-6 to 0-15	£0-12-6 to 0-15	£0-15	£0-12-6 to 0-17-6
Havre—Cotton via Canal (per ton)	£2 Nominal.	£1-10 to 2-15	£1-10 to 1-12-6	£1-10 to 1-15	£1-10 to 1-15	£1-15 to 2-0	£1-5 Noml.
Trieste „ „ „	£1-5 to 1-10	£1-5 to 1-10	£1-5 to 1-10	£1-5 to 1-10	£1-5 to 1-10	£1 to 1-5	£1-5
China, Steamer (per ton, 40 feet)	Rs. 15 to 30	Rs. 15 to 30	Rs. 15	Rs. 15	Rs. 15	Rs. 15	Rs. 15

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